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Chile
a country study

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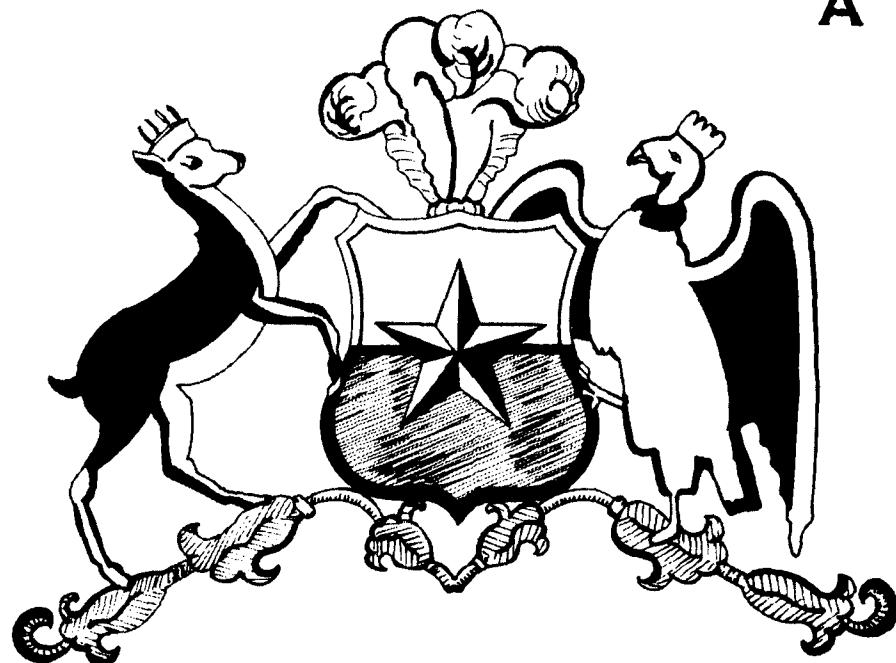
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Chile a country study

Foreign Area Studies
The American University
Edited by
Andrea T. Merrill
Research completed
May 1982

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On the cover: The Chilean coat of arms portrays a
shield flanked by a deer and a condor.

Second Edition, First Printing, 1982

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Library of Congress Cataloging in Publication Data

Main entry under title:

Chile, a country study,

(Area handbook series) (DA pam ; 550-77)
"Research completed, May, 1982."

Rev. ed. of: Area handbook for Chile / Thomas E. Weil.
1st ed. 1969.

Bibliography: p.
Includes index.

1. Chile. I. Merrill, Andrea T. II. Weil, Thomas E.
Area handbook for Chile. 1969. III. American
University (Washington, D.C.). Foreign Area Studies.
IV. Series. V. Series: DA pam ; 550-77.

F3058.C5223 1982

983'.0647

82-22610

Headquarters, Department of the Army
DA Pam 550-77
Supersedes 1969 Edition

For sale by the Superintendent of Documents, U.S. Government Printing Office,
Washington, D.C. 20402

\$ 13.00

Foreword

This volume is one of a continuing series of books prepared by Foreign Area Studies, The American University, under the Country Studies/Area Handbook Program. The last page of this book provides a listing of other published studies. Each book in the series deals with a particular foreign country, describing and analyzing its economic, national security, political, and social systems and institutions and examining the interrelationships of those systems and institutions and the ways that they are shaped by cultural factors. Each study is written by a multidisciplinary team of social scientists. The authors seek to provide a basic insight and understanding of the society under observation, striving for a dynamic rather than a static portrayal of it. The study focuses on historical antecedents and on the cultural, political, and socioeconomic characteristics that contribute to cohesion and cleavage within the society. Particular attention is given to the origins and traditions of the people who make up the society, their dominant beliefs and values, their community of interests and the issues on which they are divided, the nature and extent of their involvement with the national institutions, and their attitudes toward each other and toward the social system and political order within which they live.

The contents of the book represent the views, opinions, and findings of Foreign Area Studies and should not be construed as an official Department of the Army position, policy, or decision, unless so designated by other official documentation. The authors have sought to adhere to accepted standards of scholarly objectivity. Such corrections, additions, and suggestions for factual or other changes that readers may have will be welcomed for use in future new editions.

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<i>\$13.00</i>	
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Acknowledgments

The authors are grateful to numerous individuals in various agencies of the United States government and in international and private organizations in Washington, D.C., who gave of their time, research materials, and special knowledge on Chilean affairs to provide data and perspective.

The authors also wish to express their appreciation to members of the Foreign Area Studies staff who contributed directly to the preparation of the manuscript. These include Harriett R. Blood, who prepared the graphics, and Gilda V. Nimer, librarian, who provided valuable bibliographic assistance and translated various Spanish-language documents. The authors appreciate as well the assistance of Ernest A. Will, publications manager, and of Eloise W. Brandt, Margaret Quinn, and John Dupont who typed the manuscript.

Special thanks are owed to Elsa Keshishian, who designed the illustrations on the book cover and title page of each chapter. The inclusion of photographs in this study was made possible by the generosity of various individuals and public and private organizations. We acknowledge our indebtedness especially to those who provided original work not yet published.

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Preface

Chile: A Country Study replaces the *Area Handbook for Chile*, which was published in 1969. Because of the extraordinary changes that have occurred in Chile since 1969, this study contains only occasional fragments of the 1969 edition and is basically a new book. Like its predecessor the present country study is an attempt to treat in a compact and objective manner the dominant social, political, economic, and national security aspects of contemporary Chilean society. Sources of information included scholarly journals and monographs, official reports of governments and international organizations, foreign and domestic newspapers, numerous periodicals, and interviews with individuals who have special competence in Chilean and Latin American affairs. Chapter bibliographies appear at the end of the book; brief comments on some of the more valuable sources as possible further reading appear at the end of each chapter. Measurements are given in the metric system; a conversion table is provided to assist those readers who are unfamiliar with metric measurements (see table 1, Appendix A). A glossary is also included.

Although there are numerous variations, Spanish surnames generally consist of two parts: the patrilineal name followed by the matrilineal. In the instance of President Augusto Pinochet Ugarte, for example, Pinochet is his father's name, Ugarte his mother's maiden name. In nonformal use the matrilineal name is often dropped. Thus after the first mention, only Pinochet is used. A minority of individuals use only the patrilineal. The patrilineal is used for indexing and bibliographic purposes.

Country Profile



Country

Formal Name: Republic of Chile (República de Chile).

Short Form: Chile.

Term for Nationals: Chilean(s).

Capital: Santiago.

Geography

Size: Approximately 756,626 square kilometers.

Topography: Andes mountain chain the dominant feature. Fertile central region flanked by deserts in north and by lake region and fjords, inlets, peninsulas, and islands in south.

Climate: Climate determined by Andean barrier along the long eastern border and by ocean currents. Virtually no rainfall in northern desert, adequate rainfall in central region, fairly heavy rainfall in south.

Society

Population: Estimated at about 11.3 million in 1981; growth rate estimated at between 1.4 percent and 1.7 percent a year.

Education and Literacy: Eight years of basic education free and compulsory. Approximately 90 percent of population literate and an equal percentage of school-age population enrolled in primary school. Education divided into four levels: preprimary, primary, secondary, and university.

Health: Public health services available but concentrated in urban areas. Life expectancy approximately sixty-five years in 1980. Infant mortality thirty-eight per 1,000 live births in 1979, childhood mortality 2.2 per 1,000 children (ages one through four years) in 1975.

Language: Spanish the official language and that of vast majority of population. Some descendants of nineteenth-century immigrants bilingual. Mapuche Indians usually bilingual in Spanish and Araucanian.

Ethnic Groups: Most are mestizo descendants of Spanish and Amerindians. Some European and Middle Eastern migration in nineteenth and early twentieth centuries. Approximately 500,000 Mapuche Indians concentrated in the rural areas south of Río Bío Bío, though substantial urban migration in 1970s increased Mapuche presence in some larger cities.

Religion: Largely Roman Catholic with sizable minority of Protestants. Ratio of priests to population fell during 1970s when large numbers of foreign-born clergy left country.

Economy

Gross Domestic Product (GDP): US\$17.7 billion in 1980; per capita GDP US\$1,590. Rapid economic growth between 1976 and 1980 in part a recovery from depression and disruptions in 1971-75. Growth slowed in 1981 because of midyear onset of recession.

Agriculture: Contributed 7 percent of GDP in 1980 and major source of employment. Main crops are grains and tubers, but wide range of fruits and vegetables also cultivated—partly for

export. Large livestock sector. Extensive forests and wood products growing in importance. Fishing significant.

Extractive Industries: Chile among top countries in world in copper reserves and production (mostly for export). Copper and other metals from copper ore main source of exchange earnings. Substantial deposits of coal and iron ore (the latter mined mostly for export). Some crude oil and gas, but country largely dependent on imported crude oil.

Manufacturing: Contributed 20 percent of GDP in 1980 and important sector in terms of employment. Production of consumer goods (including durables) main output, but production included many intermediate goods, some machinery. Since 1973 industry having to adjust to import competition; growing export orientation.

Exports: US\$4.8 billion in 1980 of which copper amounted to US\$2.2 billion. An additional US\$1 billion of traditional exports and US\$1.6 billion of relatively new exports (primarily manufactured products).

Imports: US\$5.8 billion in 1980, US\$960 million of which was fuels and lubricants. Consumer goods imports US\$1.5 billion, capital goods US\$1.2 billion, and intermediate goods US\$3.1 billion.

Exchange Rate: Rate adjusted frequently by small amounts before 1979; pegged at 39 pesos per US\$1 between 1979 and May 1982.

Fiscal Year: Calendar year.

Fiscal Policy: Strong effort since 1973 to reduce public sector. Public sector deficits eliminated after 1975 as result of higher charges for public sector goods and services, greater tax effort, and limited expansion of government expenditures.

Inflation: Consumer price index rose 31 percent in 1980 (December to December basis) compared with 39 percent in 1979. Inflation declined to 9.5 percent in 1981—remarkable accomplishment in wake of triple-digit inflation between 1972 and 1976. Inflation lower still in early 1982.

Government and Politics

Government: Military dictatorship headed by President Augusto Pinochet Ugarte, designated by 1980 Constitution as chief of state and head of government until 1989. Until then, legislative authority in hands of Military Junta of Government. New Constitution calls for bicameral legislature after 1989 and popularly elected chief executive in 1997. Judiciary headed by Supreme Court; also includes courts of appeals, district courts, and military

courts. Centralized local administration at regional, provincial, and municipal levels; all positions appointed.

Politics: Traditionally pluralistic and animated political culture severely repressed after 1973. Politics officially suspended under military rule, although remnants of pre-1973 culture, most notably Christian Democratic Party and reconstituted labor organizations, remained in opposition to dictatorship.

International Relations: Orientation contains heavy ideological component: Pinochet regime views itself as spearhead in international struggle against Soviet Marxism. During 1970s regime's human rights record caused it to be severely isolated in international community, although economic relations improved with Western nations. Chile left Andean Common Market in 1976, although it remained active in United Nations and its specialized agencies and in Organization of American States.

Transportation and Communications

Railroads: Nearly 8,000 kilometers of track in three separate systems having different gauges. Railroads carried over half of total cargo in mid-1970s, chiefly in corridor between Santiago and Puerto Montt (see fig. 1). Glaciers in south precluded overland connections to southern tip of country (containing important natural resources) except via Argentina. Track and rolling stock inadequately maintained.

Highways: About 75,200 kilometers in late 1970s, of which 9,000 kilometers paved; 38,200 kilometers stabilized gravel; remainder improved and unimproved earth including seasonal tracks. In mid-1970s trucks carried about one-quarter of total cargo. Main traffic corridor north-south in central part of country. Road maintenance inadequate in 1970s.

Pipelines: About 755 kilometers for crude oil in southern tip of country; 785 kilometers for distribution of petroleum products; 320 kilometers for natural gas leading from southern oil fields to Argentina.

Ports: About seventy ports, twelve for general cargo operated by state-owned company on commercial basis. Several specialized ports for bulk cargo such as oil and minerals. Ten ports considered major, twenty minor, remainder largely for fishing boats. In 1975 port traffic amounted to 22 million tons, substantially less than capacity.

Shipping: In 1975 sixty-four Chilean ships and three barges totaling 857,000 deadweight tons handled bulk of coastal shipping. Even though laws restricted coastal shipping to Chilean-flag vessels, foreign shipping needed to supplement domestic capacity. In 1975 Chilean-owned international fleet amounted to about

622,000 deadweight tons and carried about 30 percent of international cargo although by law 50 percent was to be carried by Chilean shipping.

Airfields: In 1980 numbered 351, of which 340 usable and forty-six with hard-surfaced runways. Eleven airfields in commercial, scheduled operation, six of which having international traffic.

Civil Air: Thirty major aircraft, one of which was leased. State-owned company accounted for bulk of cargo and passenger operations within country.

Telecommunications: Considered adequate, relying on extensive radio relay facilities including two satellite stations. Telephones in urban areas numbered about 556,000 in 1979.

National Security

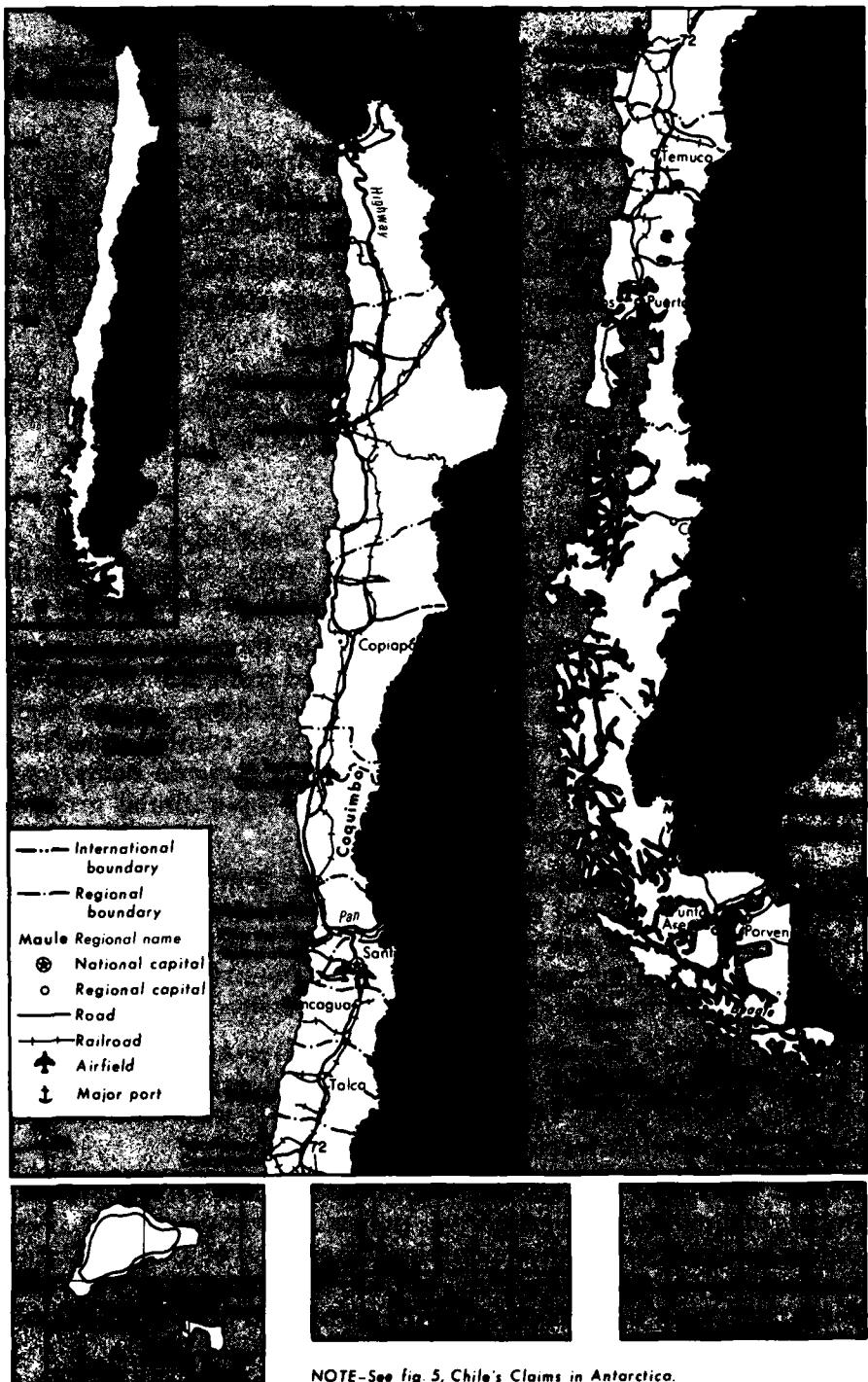
Armed Forces: Total strength in 1981 about 92,000: army—53,000; navy—24,000; air force—15,000. Army strength included about 30,000 conscripts, navy about 1,600, air force none.

Military Units: Army deployed territorially in six divisions; regiments the key tactical units and transferred from one division to another when necessary for regional force buildup. Some regiments historically tied to cities or regions. Navy combat squadron has cruisers, destroyers, frigates, submarines, torpedo boats, and assorted patrol craft. Air force has twelve operational groups: seven combat, five support.

Equipment: Principal countries of origin: United States, Britain, France, Israel, and Brazil. In mid-1970s United States and Britain halted arms shipments because of Chilean human rights violations; British sales resumed in 1981. Twenty Mirage-50 aircraft delivered in 1980; French arms sales halted in 1981.

Foreign Military Treaties: Signatory of Inter-American Treaty of Reciprocal Assistance (Rio Treaty), multilateral Western Hemisphere defense pact. Bilateral mutual defense pact with United States continued in force.

Police: Carabineros (national uniformed police force) and national plainclothes investigative police (Investigaciones). National Information Center combines functions of United States Federal Bureau of Investigation, Central Intelligence Agency, and Secret Service. In 1982 carabineros numbered about 27,000 and investigative police about 2,500 to 3,500.



Source: Based on information from Chile, Instituto Geográfico Militar de Chile, *Mapa de Chile*, Santiago, 1977.

Figure 1. Regions (Major Administrative Divisions) and Transportation System, 1982

Introduction

In many respects, the Republic of Chile holds a special place among the community of nations in Latin America. The nation's ribbon-like geographic configuration—stretching over 4,000 kilometers from north to south but averaging only 170 kilometers in width—is certainly unique in all the world. Its varied terrain, aptly called a geographic extravaganza by one author, rises from one of the longest Pacific coastlines in the world to the peaks of the majestic Andes mountains and stretches from one of the world's most arid deserts in the north to the cold, wind- and rain-swept fjords at the southern tip of South America.

Chile's inhabitants, numbering slightly over 11 million in 1982, are a relatively homogeneous group of mestizos (mixed European and native Indian ancestry) and are probably the most urbanized, literate, and best educated national population in the region. Class consciousness runs high: although the upper class is a typically tiny elite, the urbanized middle class has long been a larger segment of the population than in other Latin American countries. The traditionally rural lower class has, since World War II, migrated in large numbers to urban areas where the poor build make-shift housing in settlements that surround the central city. Internal migration has had spectacular demographic effects. By the early 1980s, the capital city of Santiago and its environs contained over 4 million inhabitants, or well over one-third of the national population.

In the sphere of political economy, Chile has, in recent years, served as a laboratory for differing governmental policies that subsequently have become models of political and economic development. The policies pursued during the administration of President Eduardo Frei Montalva (1964-70) became a textbook example of centrist political economy, while those of President Salvador Allende Gossens (1970-73) defined leftist political economy and those of President Augusto Pinochet Ugarte (1973-) defined rightist political and economic policies.

A number of historians have noted that Frei's Chile was the showplace of United States President John F. Kennedy's Alliance for Progress, whereby United States economic aid was funneled into reformist programs in Latin America to provide a moderate alternative to the radical Cuban political economy. Frei's programs, which included widespread land reform and the "Chileanization" of the country's major resource—its copper mines—were only partially successful, however, and the failures contributed to the electoral victory of Salvador Allende in 1970.

Allende was the first Marxist to be elected to a Latin American nation's highest office. He vowed to create a revolution in Chile through peaceful, democratic processes, a means that became

known as *la via chilena* among revolutionary theorists. Allende quickened the pace of land reform, expropriated the foreign-owned copper mines, the nation's largest banks, and many of its largest productive concerns, and pursued wage and price policies that dramatically increased the income of the nation's poor. He financed his programs through the printing press and, as a result, introduced hyperinflation that by mid-1973 was raising prices at an annual rate of some 500 percent. Although Allende retained the support of his lower class constituency throughout his presidency, his policies alienated the United States government, the Chilean upper class, increasingly the middle class and, most importantly, the armed forces.

The coup d'etat of September 11, 1973, was a surprise to no one, although its ferocity was unanticipated and a shock to the world. The military regime that assumed power made no pretense (as was commonly the case in Latin America) of being democratic or sharing power with civilians. Civilian politicians who were not killed, imprisoned, or exiled were legally proscribed from any political activity. Political power, initially shared by the commanders of the three armed services and the militarized police (the carabineros), gradually became concentrated in the person of General Pinochet, who ruled by decree and was first named president of the republic in June 1974 and was to retain the title until at least 1989 under the terms of the 1980 Constitution.

The extent of Pinochet's power to dictate policy was, in most respects, unprecedented in the history of Chile which, unlike many Latin American countries, had been characterized by civilian rule and the peaceful transfer of political power before 1973. By 1982 Pinochet had ruled for the longest continuous period in the nation's history. Precedents set in the field of politics were matched after 1973 in the field of economics. The military government's economic managers reversed four decades of increasing state intervention in the economic process and embraced free-market principles that brought an end to state ownership in all but a handful of industries and drastically reduced state protection of Chilean industry from foreign competition.

Harsh political realities under the military regime were justified by successes on the economic front. Indeed, between 1976, following a severe recession that had accompanied the introduction of the monetarist, free-market policies, and mid-1981, Chile's real annual growth of some 7 percent far outpaced most of the region's sluggish economies, and price rises dropped dramatically from three-digit hyperinflation to where the consumer price index registered no increase by early 1982. Such success was tempered, however, by high rates of unemployment, business failures, and the concentration of productive and financial activity in a

relatively small number of firms.

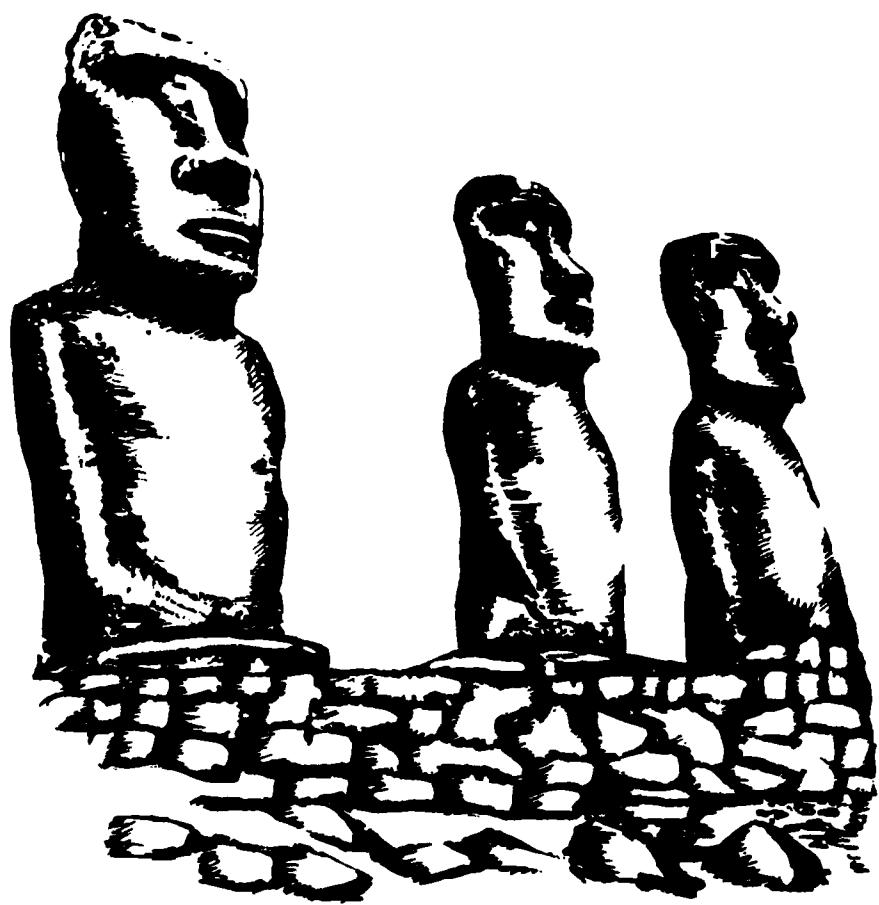
Another recession beginning in mid-1981—the worst since the 1930s—accentuated previous difficulties and initiated new economic worries to the government. By early 1982 bankruptcies were at record levels, official unemployment had grown to over 18 percent, a negative trade balance was magnifying a foreign debt that already exceeded US\$15 billion, and rapid economic growth had turned into contraction. In June the government decreed a number of measures to address the economic crisis, including an 18 percent devaluation of the peso (46 pesos equal to US\$1) and the selling of seven major government-owned industries. Even President Pinochet, who less than two years previously had claimed widespread popular support for a prolongation of his vision of political economy—through the 1980 Constitution—to the end of the century, publicly expressed doubts in May 1982. "What will become of the country after this government?" he asked as he noted the renewed activity of civilian political actors, "Are we in danger of losing everything we have achieved in these last years just because of the ambitions of a few?" In less than a year, the political future of Chile had suddenly become highly uncertain.

External events in early 1982 contributed to Chile's problematic future. Argentina's April invasion of the Falkland Islands, and its June capitulation to the British forces on the islands, led to considerable anxiety among Chileans over a possible renewal of tensions—or even war—with a humiliated and politically weak Argentina over the disputed islands in the Beagle Channel. Chile's public stance of neutrality during that conflict was costly in terms of its relations with Argentina and the rest of Latin America (most of which supported Argentina), although it would likely improve relations with Europe and the United States. A complete normalization of relations with the United States, nevertheless, remained contingent on requirements established by the United States Congress that Chile cooperate in bringing to justice those responsible for the murder of Orlando Letelier and that the Chilean human rights situation, in general, be improved.

James D. Rudolph

June 22, 1982

Chapter 1. Historical Setting



*Giant stone figures found on ancient burial
platform on Easter Island (Isla de Pascua)*

Historical Setting

FROM 1830 TO 1973 Chilean political history was remarkable among the nations of Latin America. Except for two brief military interludes, the governments were constitutional, democratic, and civilian. It is true that power tended to be shared and rotated among the members of a small economic and social elite, but it is also true that the elite cautiously but consistently absorbed new, assertive individuals and groups. The military coup d'etat of September 11, 1973, ushered in a regime that severely repressed its opponents, especially those who had been active participants in the deposed communist-socialist coalition; the leaders of the regime nevertheless promised an eventual restoration of democratic procedures.

The Spanish conquest of the area in the mid-sixteenth century was both peaceful and violent. Spaniards intermarried extensively with the Indian women, producing the mestizos who form the majority of Chile's population. For over three centuries, however, the whites and mestizos engaged in a prolonged series of Indian wars that resulted in the enslavement and death of most of the Indians. The survivors were eventually placed on reservations (see Amerindian Population, ch. 2).

A powerful landed aristocracy evolved during the colonial period. In alliance with the Roman Catholic Church and eventually with influential commercial and industrial interests, members of this aristocracy dominated the republic through the nineteenth century. The aristocracy's hegemony over the state was gradually weakened; however, this process was accelerated with the emergence of the Christian Democratic Party in the 1950s. Moreover, the acquisition by women of the right to vote in 1949, the introduction of the secret ballot in 1958, and the subsequent extension of the franchise to illiterates and to all citizens eighteen years of age and older brought into the political process hundreds of thousands of previously ignored Chileans. Some analysts suggest that this expansion of democracy was worrisome to the upper and upper middle classes and contributed to increasing political polarization.

Upon assuming the presidency in 1964, Eduardo Frei Montalva and his fellow Christian Democrats introduced reform legislation reflecting the mixed-economy orientation of their party. The more sweeping socialist program of President Salvador Allende Gossens, who succeeded Frei in 1970, further accelerated the polarization of the society. In the economic chaos and near political anarchy of mid-1973, the intervention of the military was expected by most Chileans and was welcomed by many when it finally occurred. Most Chileans had expected that the armed

forces would soon turn the government back to non-Marxist civilians. However, seven years later, a new constitution was approved by a two-to-one margin in a nationwide plebiscite and subsequently promulgated into law. The 1980 Constitution called for the military to retain control of the government for a further nine to seventeen years.

Conquest and Colonization, 1535-1800

Soon after Francisco Pizarro conquered the Incas in Peru, one of the leading conquistadors, Diego de Almagro, accepted Inca reports of great wealth to the south and in 1535 recruited a large force of Spaniards to conquer the land of Chile. Almagro's force spent a year and a half crossing the Bolivian highland plateau and Andean peaks, only to enter one of the world's driest deserts, where it was confronted by scattered groups of hostile Indians producing barely enough food to survive. Almagro returned through the desert to join the war against the Pizarro forces in Peru for his share in that conquest. Pizarroists killed Almagro, and leadership of the second Chilean expedition passed to the victorious Pizarro commander, Pedro de Valdivia. As other conquest leaders before him had done in Mexico and Peru, Valdivia invested his Peruvian fortune in discovery and conquest. A private adventurer in the Spanish crown's employ, he pledged one-fifth of the spoils to the crown. He was able to attract only about one-quarter of the number of men that Almagro had taken to Chile, but he took advantage of Almagro's reconnaissance to choose the shorter desert passage, and by 1541 he had reached the temperate, fertile area of Chile's central valley (see *Geographic Regions*, ch. 2).

As was customary in the Spanish conquest, Valdivia founded a town, Santiago, and appointed a council of prominent conquistadors. In exchange for commitments of further military service, he distributed to his followers the rights to collect tribute from the Indians; his followers in turn accepted the obligation to Christianize the conquered Indians. A conqueror rewarded and controlled his followers by distributing encomiendas, or trusteeships. Encamenderos (those who received encomiendas) in turn controlled the Indians. In Chile, however, there were too few Indians to operate an encomienda system to support the many Spaniards who soon arrived—nor was there sufficient gold and silver for the Indians to pay tribute, as in Mexico and Peru. A few Indians washed gold for Spaniards for a time, but soon the only source of income for Spaniards was in agricultural and livestock production.

The Spanish government in Peru sent its surplus population of adventurers to Chile. In the middle of the sixteenth century perhaps 1,000 new recruits entered Chile, which absorbed them

Historical Setting

not as encomenderos but as soldiers.

At the time of the Spanish conquest the Indian population numbered more than 1 million people belonging to several different cultures. Archaeological evidence indicates that the country's ethnohistory began approximately 10,000 years ago, when bands of nomadic Indians wandered down the valleys of the Andes into what is now central Chile and farther south into the archipelago.

None of the nomads or tribal groups developed a culture as advanced as that of the Incas, although the Inca Empire briefly extended into the northern part of the country (see fig. 2). Some elements of Inca culture were adopted by indigenous Chilean groups, but a combination of environmental factors and the distance of some groups from the center of Inca civilization seems to have precluded the growth of complex cultures. In the southern archipelago hunting and fishing were the primary means of subsistence, and in the far north a hunting and gathering economy was supplemented by the raising of llamas and some oasis agriculture. The bulk of the population lived in the fertile central region, clustered in small sedentary hamlets. Slash-and-burn agriculture was the major economic activity, but hunting was also important.

Contact with the Spaniards who arrived in the sixteenth century had a devastating impact on the culture of the Indians in central Chile, most of whom were members of the Araucanian tribal group. The Araucanians shared a similar language and culture but identified themselves on a regional basis as Picunche, Mapuche, and Huilliche, in the northern, central, and southern zones, respectively. The Picunche and Huilliche were rapidly subjugated, absorbed into the Spanish labor system, and ceased to exist as cultural entities by the end of the eighteenth century.

The Mapuche, however, were more numerous and steadfastly resisted Spanish domination. They took horses that had escaped from Spanish settlements and formed large mounted bands. Their culture changed from one of sedentary agriculture to one preoccupied with warfare and military life. They thwarted Spanish settlement efforts by taking the offensive. On horseback they raided Spanish towns, retreated, allowed the Spaniards to rebuild, and then returned to destroy the settlements again. During the colonial period and late into the nineteenth century, there were almost continual raids and warfare between Araucanians and European settlers. Many Indians fled across the Andes to Argentina, and even more died in epidemics, particularly smallpox.

The fierce struggle between the Spaniards and the Indians contrasted sharply with the Spanish experience in other parts of America, because in Chile the Indians often won. One young observer from Spain, Alonso de Ercilla, who came to Chile with the man who replaced Valdivia as governor, kept a diary during combat and wrote America's first epic—*La Araucana*. This record of Araucanian bravery created Chile's first enduring heroes:

Chile: A Country Study



Source: Based on information from Henry F. Dobyns and Paul L. Doughty, *Peru: A Cultural History*, New York, 1976, p. 34

Figure 2. The Inca Empire, Mid-Fifteenth Century

Indian warriors. The names Araucanian and Lautaro—Valdivia's former groom, who had turned against Valdivia and killed him—became rallying symbols for criollo patriots in the nineteenth century. Some late-twentieth-century guerrillas also call themselves

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Mapuches to signify enduring resistance. This powerful legend may exaggerate Indian achievements, but the Araucanians were the only Indians in the Americas to resist the Spaniards successfully throughout the colonial period.

Beginning in about 1600 the Spaniards intensified their push southward. It had become obvious that the war could not be won with local resources, and the burden of what came to be known as "perpetual war" shifted to Peru. A permanent frontier army of about 1,500 men was created. Institutionalized warfare continued through the middle of the eighteenth century and forced Chile's continued reliance on Peru until the end of the colonial period. Chile exchanged some grain, tallow, and hides for Peru's support, but Peru bore the brunt of financing Chile's war.

The shift of the locus of the military supply and support system from Chile to Peru was the most important development in leading to the success of the Spanish war effort in Chile for the next 100 years. During that time, however, Jesuit missionaries tried to end the war and in 1607 succeeded in abolishing legal slavery. By that time a majority of the Mapuche had moved south to the area of the Río Bío Bío (see fig. 4). Jesuits had advocated a policy of "defensive warfare" that forbade slave raids and the enslavement of any Indian in war and allowed only Jesuit missionaries to penetrate Indian territory; but within three years Spanish losses to Indian forces induced the crown to reverse its policy, and the more benign defensive warfare ended completely. Indian victories in the 1620s and 1630s led the Spaniards to negotiate a treaty in 1646 that may be the only such treaty in the history of the Spanish conquest, in that it recognized Indian territorial sovereignty. In the Pact of Quillan the Spaniards promised to remain north of the Río Bío Bío if the Indians would return Spanish captives and allow missionaries to proselytize among them.

Indian rebels soon broke that truce, and the war continued on both sides of the river. Spaniards settled in fortified camps south of the river. It looked as if Spanish penetration south of Santiago had become permanent when a massive Indian rebellion erupted in 1655. Again, all Spanish settlements south of the Río Bío Bío were destroyed, including Concepción, which suffered further devastation from an earthquake and tidal wave two years later. In the 1670s Jesuits again won support in Spain for a policy of freeing Indian slaves taken in war. All Indian prisoners-of-war and their children were declared free, as were all of the Indian children who had been sold into slavery by their parents.

Indian slavery had been outlawed in the New World since the time Valdivia first came to Chile. Conquered Indians held certain personal and property rights under Spanish law. But Spanish law and Roman Catholic doctrine upheld "just war" against rebellious Indians and the enslavement of those who refused to submit to Christianity. Continued Araucanian resistance provided a con-

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venient rationale for capturing and enslaving Indians to fill the needs of the encomiendas in central Chile. Unlike Mexico or Peru, where Indians received some protection from both church and state after initial bloody confrontations, in Chile the continuing war and the lack of strong civilian government institutions deprived Indians of the usual Spanish legal protections.

Near the end of the seventeenth century, the Spanish undertook the spiritual conversion of the Indians as an alternative to military pacification. The Jesuit and Franciscan missionaries baptized the Araucanian children and taught them Christian beliefs, but these beliefs were soon forgotten. In a few years it became apparent that the missionary effort was a failure, and it was abandoned, except in peripheral frontier areas.

After the middle of the nineteenth century, the government began a policy of permanently occupying Indian lands by building forts and garrisoned settlements. Increasing pressure was exerted on the Mapuche as European settlers encroached southward into their territory. Their loss of land was followed in the late 1880s by repeated unsuccessful rebellions until the Mapuche were totally defeated and were settled on government reservations (see *Amerindian Population*, ch. 2).

Chile's governor was also the captain general, or commanding officer for the province. The governor was subject to the authority of Peru's viceroy, but no important business could realistically be transferred to that jurisdiction because of the time, expense, and danger of the journey from Santiago to Lima. The Peruvian viceroy reported to the Spanish crown through its overseas agency, the Council of the Indies, located in Spain. Chile remained in the third rank of the colonial hierarchy throughout most of the colonial period as a governorship under the viceroyalty and supreme court of Peru (see fig. 3). Although eventually Chile received a supreme court, the court never attained the influence or prestige of its Mexican and Peruvian counterparts. Chile's governor and captain general remained free to pursue the Indian wars.

The lowest rung of the Spanish-American government hierarchy was important to colonial Chile. The cabildo (council) gave warrior-landowners some control over the distribution of land and food and over local justice. The lack of a complex government hierarchy made the cabildo more of a focus of local politics than elsewhere in Spanish America. Spain probably exerted less influence in Chile than in more accessible realms, but inaccessibility accounts for only part of Spain's lack of influence there. There was little interest on the part of the crown or the viceroy of Peru in a backward warring province. Chile had to be maintained as an outpost of the empire, but it played an insignificant role in the imperial economy of silver and gold led by Mexico and Peru.

In an America with relatively few Spanish female immigrants, Chile had even fewer. In 1540 only one woman accompanied

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Source: Based on information from A. Curtis Wilgus, *Historical Atlas of Latin America: Political, Geographic, Economic, Cultural*, New York, 1967, p. 112.

Figure 3. Viceroyalties in Spanish America

Valdivia's expedition, his mistress. As in other parts of America, miscegenation was common and created an ethnic class of mestizos that was classified according to wealth and family ties as Spanish or Indian. Miscegenation and large-scale exploitation of Indians through encomienda labor and slavery undermined In-

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dian society. Villages were destroyed. Indians became the lowest class in the Spanish social system.

African slaves constituted another element in the colonial ethnic structure. They entered as personal servants of conquerors and assumed responsibilities commensurate with their high cost and training. Most spoke Spanish. Some were artisans. A few were used to oversee Indians on ranches and farms.

Although warrior-landowners composed the highest stratum of Spanish society originally, during the seventeenth century civilian landholders and those who ran commercial establishments came to predominate in the elite sector of Spanish society. Spanish society at the top had remained relatively open to new business interests, although racial barriers to entry continued to exist. Land was the consistent symbol of success, but the possession or cultivation of land served to support an urban life-style for at least part of the year. Typically, Spaniards preferred urban life in America, and those in Chile were no exception. Rural haciendas supported wealthy townhouse dwellers who in turn employed Spanish and mestizo artisans. The latter enjoyed the status of "decent" people, i.e., above Indians, but did not constitute a middle class.

Compared with Mexico and Peru, Chile attracted few Spanish professionals or high religious functionaries. Santiago had been made a bishopric in the middle of the sixteenth century, but the primary role of the church in Chile was missionary. Many missionaries came to Chile, particularly from the Jesuit order, but Chile's landholding elite did not have to vie for influence with the clergy. Lawyers and clergymen of high rank who came to Chile usually sought promotion to Mexico or Peru. Almost all early colonial governors were military men, although by the seventeenth century some governors were civilians.

Seventeenth-century Chile became more highly stratified socially, although new families who bought large encomiendas entered the criollo elite. Some descendants of early warrior-landowners moved into lucrative and powerful government positions, especially in the supreme court. The social hierarchy gradually became more complex. It was no longer simply divided into Spanish warriors and conquered Indians. The elite consisted of landholders, mineowners who also owned great estates, and some merchants with ties to the land. The next stratum included military officers and both peninsular and criollo judicial and fiscal officials. The most attractive place of residence remained the capital at Santiago, despite the distinctively rural basis of much of the wealth.

Independence

The Spanish dynasty had changed from the Habsburg line to the Bourbons in 1700, and the Spanish Bourbon kings attempted to modernize and rationalize some of the archaic colonial institutions

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in the eighteenth century under what became known as the "Bourbon reforms." King Charles III (1759-88) reduced restraints on trade and stimulated relatively prosperous conditions both in Spain and in the colonies. His principal ecclesiastical reform—which had strong political and economic motivations—was the expulsion of the Jesuits from Spanish America in 1767. Their acquisition of lands and economic power throughout Spanish America had aroused jealousy in the New World and in Spain. Their expulsion was resented by many devout Catholics and by Indians whom they had protected in mission villages, but prosperous immigrants were glad to take over Jesuit lands (see European Immigration, ch. 2). The Chilean educational system suffered a serious setback with the expulsion of the Jesuits. This contributed significantly to the fact that Chile remained an economic backwater and an intellectual outpost, some two centuries behind the societies of Mexico and Peru, until the mid-nineteenth century, when the Jesuits returned and a university was founded and a printing press established.

A new system of administration adopted by Charles III was applied to all of Spanish America by 1790. It provoked strong resentment among viceroys and governors who feared their powers were being weakened, among officials who objected to a transfer of judicial powers, and among the administrators and other officials who were displaced. Under the reign of Charles IV, who ascended the throne on the death of his father in 1788, the new system of colonial government failed to function effectively, and forces that were to weaken the royal hold on the colonies began to grow. By the latter half of the eighteenth century a form of liberalism generated by intellectual developments in Europe had won adherents among the criollos. European enlightenment and romanticism, the French Revolution, and the independence of the United States and Haiti unleashed a flood of new ideas, publications, and revolutionary fervor in Spanish America.

But it was an outsider, Napoleon Bonaparte, whose seizure of power in Spain generated demands for independence in America. When in 1808 Napoleon forced Charles IV, and then his son Ferdinand VII, to abdicate the throne and appointed his brother Joseph Bonaparte as king of Spain and the Indies, the Spaniards set up local juntas in various parts of the Iberian Peninsula and governed in the name of Ferdinand VII. The colonists followed suit, establishing autonomous local governments. Only a few colonists had visions of freedom from Spain at this time, for the majority sought merely to show their loyalty to Ferdinand. Juntas were established in each of the viceroyalties as well as in many of the provincial capitals. Many former officials and higher clergymen were suspicious of such autonomy, but others championed complete independence. The majority of the people supported the juntas as symbols of freedom from Napoleonic rule and preferred to ally

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themselves with the revolutionaries rather than with the royalists.

In Chile, the possibility of separation from the Spanish monarchy was scarcely mentioned. Nearly all of the criollo aristocracy agreed that a French usurper deserved no allegiance from Chile. Beyond that declaration, however, no plans for independent government emerged. Nevertheless, the young aristocrat who took charge of the new government (now called the "Old Republic"), José Miguel Carrera, in 1810 fought royalist efforts from Peru to bring Chile back under its hegemony. While professing loyalty to the king, he rejected orders from Spain, founded schools, and adopted a national flag. This still relatively peaceful hiatus in Spanish monarchical rule ended when prominent families of Santiago revolted against Carrera. They were led by Bernardo O'Higgins, son of Irish-born Ambrosio O'Higgins, who had served as a governor of the colony. But as these criollo factions warred against each other, Spanish forces entered Chile from Peru and defeated both forces at the Battle of Rancagua in October 1814. The two rivals fled to Argentina. Severe Spanish repression against dissidents gained many new followers for the patriot cause.

In Argentina, Chilean leaders met with South America's great military strategist of independence, José de San Martín. San Martín, who had been trained in Spain, believed that South America could only remain independent from Spain if the royalist stronghold of Peru was defeated. For that reason he convinced the Chileans to help him attack Peru. San Martín's basic strategy was to attack Peru by sea and to enclose it in the pincers of his southern and Simón Bolívar's northern armies. In support of this scheme, San Martín used men and material from the British navy. The by-product of that scheme, Chile's independence, was achieved on February 12, 1818, at Chacabuco.

Earlier, an open cabildo had granted the criollo leader, O'Higgins, the office of supreme director. O'Higgins is fondly remembered as the scourge of the royalists, the creator of the navy, and the founder of secular elementary education and the National Library. But at the time he created a great deal of animosity among members of the landed elite by abolishing titles of nobility and by decreeing the end to entailed estates. The Roman Catholic Church also decried his secular attitude and joined with the landed oligarchy in what would become the conservative faction of newly independent Chile.

By independence no agreement had been reached among the revolutionary leaders about the form of a new government, and opinion was divided about the future role of the church in relation to the government. Within a short time two political parties, the Conservative Party and the Liberal Party, emerged. The Conservatives favored a powerful centralized administration with a president who would carry out their wishes. They considered themselves custodians of authority and order and sought to per-



*Llamas in Chilean altiplano,
with Volcán Chungara in background
Courtesy PROCHILE*

petuate the political and social traditions of the colonial era.

The Liberals favored government by constitution, land reform, and limitation of the power of the church. They were influenced by French liberalism and professed to be more interested in reform than in authority. The Conservatives were popularly known as *pelucones* (bigwigs) and the Liberals as *piiolos* (novices). A civil war in 1830, resulting from their differences, left the Conservatives in control for thirty years.

The victorious Conservatives furnished three presidents after 1830, but it was primarily the views of Diego Portales, never president but virtual dictator from 1830 to 1837, that were embodied in the constitution of 1833. Portales was a businessman who had originally supported the Liberals, but in the aftermath of disputes over his financial dealings with the government, he joined the Conservatives. By 1829, when he served in the stop-gap administration, he had become the Conservatives' recognized leader.

Portales assumed control of virtually all branches of government. Political disturbances and banditry, which had become major problems in rural areas, were ruthlessly suppressed. Freedom of the press was eliminated, and army officers not in sympathy

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with the party in power were dismissed. Portales was largely responsible for the election of General Joaquín Prieto Vial as president in 1831, and the highly centralized government that lasted for thirty years reflected Portales' resolve to build respect for the authority of the state. Portales reorganized the army so that it was subject to civilian control.

The constitution of 1833, which remained in force until 1925, incorporated Portales' political views. The president was given broad powers; the independence of the judiciary was protected; local and provincial affairs were turned over to agents of the central government; Roman Catholicism was made the state religion; and suffrage was limited to a small portion of the population. Legal forms were respected, but the government's great strength derived from the backing of the church and most of the aristocracy.

Toward the end of Prieto's term Portales came out of retirement to become minister of war. He suppressed opposition to Prieto, who was reelected, and put down an armed revolt of Liberals under General Ramón Freire y Serrano, who had received support from the ruler of the Peru-Bolivian Confederation. Portales' stern repression of Chileans opposed to the war increased the government's unpopularity, and Portales was killed by mutinous troops in 1837. In January 1839, however, a Chilean expedition under General Manuel Bulnes Prieto defeated the forces of the Peru-Bolivian Confederation (see Position in Government and Society, ch. 5).

The centralized, autocratic political system built by Portales continued after his death. General Bulnes, elected president in 1841, served two five-year terms during which mining, agriculture, and foreign trade expanded significantly and made possible the construction of railroads, a telegraph system, and public utilities.

Intellectual life flourished during the 1840s. A new generation of activist scholars helped found educational institutions, including the University of Chile. The most prominent among a group of Spanish-American exiles living in Chile—Venezuelan Andrés Bello and Argentine Domingo Faustino Sarmiento—favored the rigorous training of educators to train Chileans for the future. They formed part of the "Generation of 1842," and through journalism and other forums they aroused public interest in social and political reforms. A liberal current, apparent also in the writings of Francisco Bilbao and José Victorino Lastarria, led to the creation in 1849 of the new Liberal Party, which incorporated many of the old *piapiolos* and carried on their opposition to the Conservative regime. The party expanded rapidly during the 1850s and generally dominated the political arena from 1860 to 1890. Under Liberal rule, partisanship became increasingly significant in the political system. The Radical Party, which had been estab-

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lished in the late 1850s by a group of uncompromising Liberals, became a vigorous opposition group; the Democratic Party and the National Party, representing industrial and commercial interests, came into being at the same time.

The Liberal discontent of the 1840s and 1850s focused on excessive executive authority, press censorship, and limited suffrage. Liberals instigated demonstrations, which the government put down forcibly. After the election in 1851 of the Conservative candidate, Manuel Montt, a revolt by the Liberals touched off a civil war. Government forces prevailed, but in a single battle an estimated 2,000 were killed and 1,500 were wounded.

Disputes between church and state reached a critical point in 1856, when a controversy over the jurisdiction of ecclesiastical courts brought about an alliance between the proclerical party and the more radical elements of the Liberals who opposed the president. In 1859 this coalition staged a revolt in an effort to prevent the election of Antonio Varas as Montt's successor because the coalition regarded Varas as a supporter of the Portales tradition. Chile again faced possible civil war, but the government suppressed the revolt, Varas withdrew his candidacy, and an individual acceptable to all factions, José Joaquín Pérez, was elected in 1861 and reelected in 1866.

Border problems also plagued the new nation. In the 1840s Chile claimed territory around the Strait of Magellan, Tierra del Fuego, and in Patagonia on the Atlantic also claimed by Argentina, claims that raised the threat of war. An 1881 treaty established boundaries between the two countries, and the Protocol of 1893 further refined the boundary's definition. Nevertheless, by the early twentieth century, it was apparent that the two governments differed in their interpretations of the location of the Beagle Channel, which the 1881 treaty defined as the border in the extreme south. The dispute was not submitted for arbitration until 1971, however, and the 1977 award by the International Court of Justice (in favor of the Chilean interpretation) was not accepted by the Argentine government. Despite subsequent mediation by the pope, as of mid-1982 the dispute remained unresolved (see *Relations with Latin American Nations*, ch. 4).

Immigration has contributed relatively little in actual numbers to the population, but foreign groups, especially those from northern Europe, have had great influence on the social, political, and economic development of the country. They are concentrated in the upper and middle social levels while the lower class remains predominantly mestizo.

Significant numbers of English, Italian, Spanish, French, Slavic, and other European immigrants came under government colonization programs that were similar to one another, although many others paid their own expenses and came on their own initiative. From 1846 to 1864 thousands of Swiss, German, French, and Ital-

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ian immigrants were attracted to the area north of the Seno Reloncaví by the promise of industrial and agricultural opportunities. Others came to work on the construction of railroads. At about the same time the discovery of gold in Chilean Patagonia attracted a number of southern Slavs to that area. Many of them, along with immigrants from Britain, eventually established large sheep farms in Patagonia. Other Slavs gained success in trade and industry in the cities of the northern nitrate regions, as well as in the south.

Most of the Italian immigrants went to the cities, where they found work as masons, carpenters, and skilled laborers. Some gained prominence in commercial activities, and others were successful in law, medicine, and government.

The agricultural colonists who came with hopes of becoming prosperous farmers often stayed in the frontier regions of the south for only a few years. Deprivation and the threat of Indian raids made their lives extremely difficult. In addition many of them had come from European cities and were poorly prepared for farming and clearing land. The assistance offered by the Chilean government frequently did not materialize because of inadequate funds, and the immigrants' land titles were often found to be invalid. These difficulties led many of the immigrants to seek a better existence in the pioneer towns of Valdivia and the cities farther north.

The only major non-European groups to enter Chile in the late nineteenth and the first part of the twentieth centuries were the Lebanese and other peoples of Middle East origin. Most of them started their own small businesses, sometimes moving up the social ladder to become prominent industrialists, especially in textile manufacturing. A few Jewish immigrants from Europe and the Middle East came at about the same time, settling primarily in the cities, where they excelled as retailers and businessmen.

As immigration has declined, the assimilation of groups descended from immigrants has, in general, proceeded rapidly. At the same time, the presence of these groups in the country has altered the ethnic and social structures and has provided a decidedly cosmopolitan atmosphere. Chileans have been notably receptive to the contributions of foreign thought and have welcomed most foreign peoples into their country. The majority of the immigrants have married Chileans and have become integrated into the national society, generally in the middle and upper classes, in which northern European facial features and names are still conspicuous. The descendants of many nineteenth-century Irish, German, English, and Italian immigrants retain only superficial features of their heritage, having lost their language and become Chilean in nearly all respects. Chileans almost always assume that persons with European features are members of the upper or middle class, and they think of those with dark skin and other Indian or mestizo characteristics as lower class (see The

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Lower Class, ch. 2). The degree of Indian blood is generally greater in the lower social levels, but there is no formal color or racial bar, nor is there any discrimination against the many mestizos who have attained high socioeconomic positions.

Conservative dominance of politics by the landed and commercial elites continued through the mid-nineteenth century, but changes began to occur as population grew in urban centers, where economic and political life became ever more concentrated, especially around Santiago. The traditional hacienda system produced Chile's food, but rural estates also came to serve symbolic functions for urban businessmen, who adopted and expressed the values of the class they now joined but left the lands idle. Although the estates were good investments for urban entrepreneurs, they became a target of reformers, particularly in the middle of the twentieth century. Landowners were blamed for food shortages and economic backwardness because of their misuse and monopoly of scarce arable land. Those *hacendados*, who worked their farms depended increasingly on *inquilinos*, i.e., labor bound to them by debt. In the middle of the twentieth century, reformers continued to attack the hacienda system and the injustices done to the *inquilinos*, whose living standards continued to erode with inflation.

Chile faced a severe economic crisis in the 1870s as the silver mines gave out and as Peru and Bolivia threatened to confiscate nitrate plants partially owned by Chileans located in Peruvian and Bolivian territories. Bolivians also planned, despite previous agreements, to raise taxes on guano exports in which Chileans also had an interest. Relations with Bolivia broke down when Bolivia prepared to auction off nitrate plants owned by Chileans in Antofagasta. Chile occupied the province, and Bolivia declared war on Chile. Peru expelled all Chileans from its territory and honored its secret defense treaty with Bolivia by also declaring war against Chile. The three countries fought the War of the Pacific from 1879 to 1883.

Chile won the war decisively, and the victory remains a great source of national pride. In the Treaty of Ancón in 1883, Peru ceded Tacna and Arica to Chile for ten years, at which time a plebiscite was to determine the provinces' allegiance. Soon after the Ancón treaty, Bolivia ceded Antofagasta to Chile. Chile thus became one of the primary powers in South America. By acquiring territories rich in nitrates, copper, and guano, Chile solved its domestic economic crisis. On the crest of military victory, Chile's army defeated the last Araucanian resisters in the south. Although Peru and Bolivia continued to protest the loss of their provinces, Chile maintained its control over them, settling some of the outstanding claims in sporadic arbitration during the 1920s and 1930s. A century after the War of the Pacific, its outcome remained a source of revanchist sentiment in Chile's two northern

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neighbors, particularly in Bolivia, which lost not only valuable resources but, more importantly, its access to the Pacific Ocean.

Parliamentary Government, 1891-1919

Chile's transportation and communication routes had expanded from the middle of the nineteenth century onward. A nitrate boom after the War of the Pacific provided renewed impetus for this modernization of Chile's infrastructure. By the end of the nineteenth century, Chile had developed into one of the leading economies of South America. British and North American businessmen dominated that development, particularly in the northern mining regions. Chile prospered from the nitrate boom until the development of synthetic substitutes during World War I curbed demand. Railroads, telegraphs, banks, and industries continued to expand. Whereas earlier transportation and communication systems had mainly served to link Santiago to its port at Valparaíso, they now extended north and south to deliver minerals to the ports for export.

But the accompanying upheaval in politics, exacerbated by Chile's first general strike in the northern mining area, and the pressure of incipient organized labor pressure for legislative concessions caused many to worry about the stability of Chile's economic and political systems, earned at great cost and effort earlier in the century. Resentment against strong presidents had been building for decades. In 1890 it exploded over the annual budget request the president was required by the constitution to submit to the National Congress. Congress refused to approve President José Manuel Balmaceda's request. Previously, Congress had used the authorization procedure to elicit some concessions from a president. In this instance, however, Balmaceda asserted that he would continue to draw revenues and spend money at the rate of the previous year's appropriation. He declared it his constitutional right to do so. Of course Congress objected. The unusual aspect of its objection was that it attempted with the support of the navy to seize nitrate export tax revenues, while the army joined the president to defend his government.

Although the relative powers of the executive and the legislature were surely at issue at this time, some historians, particularly Luis Galdarnes, believe that the revolt of Congress may have been aimed largely at recapturing power for provinces and municipalities lost to an expanding central government under aggressive presidents. Congress had obtained considerable power under the 1833 constitution, but presidents had retained dominant control over elections to Congress, the appointment of succeeding presidents, and complete power to appoint public officials, including judges and officers of the armed forces. Despite the constitutional and budgetary issues at stake during the 1890 Congress, their revolution, at least in part, sought to weaken the president's



Puerto Montt on Seno Reloncaví
Courtesy Veronica Stoddart/Americas

great powers of patronage and to reduce the president's control over provinces and municipalities. Balmaceda was eventually defeated in this skirmish with Congress; proud and defiant to the end, he shot himself the day after his term expired. Congress remained the dominant power in Chilean politics until a new constitution in 1925 reestablished the strong executive power of the president.

Chile's laboring classes began to organize between 1890 and 1920. Their discontent was evident in sporadic strikes and street violence. During Balmaceda's term (1886-91), Santiago was hit with a wave of protests and strikes. The nitrate workers in the north were in the forefront of early labor agitation, and they were soon joined by dockworkers serving the nitrate ports. During the 1890-91 political crisis, a general strike of dockworkers at Iquique was joined by other workers in the area. Chile's first general strike was settled peacefully and partially to the workers' satisfaction, but with troops present. In 1907, however, government troops massacred workers at Iquique, and there were similar incidents at Puerto Nogales in 1919 and at Magallanes in 1920. In 1909 the first Chilean workers' federation was founded by railroad workers; it was joined later by other transport workers and mineral workers. Minor labor legislation was passed during this period, but it took several decades for an advanced labor code to be developed.

In the midst of political upheaval and labor agitation, Chile's army was revamped under the direction of a Prussian lieutenant colonel hired in 1885 to train the Chilean officer corps at the

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national Military School. The number of men enrolled in the military increased, and modern equipment was purchased (see *Position in Government and Society*, ch. 5). Although they remained nationalistic, they objected to congressional budget deliberations that resulted in delays of their salary payments.

The Beginning of the Modern Era, 1920-32

Arturo Alessandri, 1920-25

Accelerated modernization of communications and transport, rapid urbanization, significant expansion of industrial labor forces, an economic boom and bust associated with World War I, and continuing congressional-presidential disputes set the stage for a populist candidate who, having defeated the political bosses of the north, rode his fame as the Lion of Tarapacá to the presidency. The Liberal alliance that elected this man, Arturo Alessandri Palma, represented the middle and lower classes. After a bitterly fought campaign, Alessandri received 179 electoral votes and his Conservative opponent 174. Congress then appointed a "tribunal of honor" to pass on the validity of the election and declare a winner. By a majority of one vote this commission awarded the victory to Alessandri. Although as a senator he had advocated congressional power, as president he advocated executive power. During his term, the 1925 constitution was adopted, which restored the strong executive power of the president. It guided Chilean politics until the military coup in 1973.

Alessandri's troubles began as soon as he took office in December 1920. In the face of hostility from Conservatives in Congress, he was at first unable to obtain the passage of most of the reform legislation he had promised. Congress passed a law for compulsory public education but balked at creating a national bank, imposing an income tax, or enacting protections for labor. Alessandri tried to appease Congress by changing cabinet ministers frequently, but Congress continued to delay action on his reform proposals.

In 1924 Congress took up a bill to grant itself pay, an action that contravened the 1833 constitution. Some junior army officers attended that session and rattled their sabers in protest; the bill was withdrawn. A process of negotiation with the officers produced immediate passage of Alessandri's reform package. Nevertheless, because the legislation was passed under military duress, Alessandri resigned and Congress, while refusing to accept his resignation, granted him a six-month leave of absence. He left for Argentina, and a military junta dissolved Congress, appointed a new cabinet, and decreed new laws, many of which were designed to favor the laboring class and to improve social conditions in general.

The assumption of political power by the military in 1924 was significant in a country that had been governed almost entirely by

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civilians for the better part of a century. The armed forces had participated in the civil wars of 1851 and 1891 but had not taken over the government. Between 1924 and 1932 the military played the role, unusual in Chile, of creating and overturning governments.

In January 1925 the junta that had assumed power when Alessandri departed was overthrown with the assistance of army and navy officers. The new junta, led by General Carlos Ibáñez del Campo and Marmaduke Grove and backed by leaders of all major political factions, invited Alessandri to return. Welcomed back in March 1925 with popular acclaim, Alessandri retained Ibáñez as his defense minister. Without recalling Congress, Alessandri proceeded to legislate by decree. Meanwhile, he appointed a constituent assembly to draft a new constitution. Approved by a plebiscite, the constitution went into effect in October of that year.

The 1925 Constitution

Part of the controversy over both the Marxist government of 1970 to 1973 and the military government that seized power in 1973 stems from conflicting interpretations of the 1925 constitution, a document of great importance to Chilean history. The 1925 constitution defined and protected the traditional civil liberties of the people. It reduced the power of Congress, particularly with regard to cabinet appointments and budget approval, and it included provisions dealing with the social function of property, familiar to colonial Hispanic legal tradition but omitted from the 1833 constitution. It also broadened the electoral base and paved the way for modification of the nation's socioeconomic system.

The creation of a strong executive marked the end of the parliamentary system that had prevailed for thirty-four years. The constitution deprived Congress of the power to depose ministers through a vote of censure and forbade anyone from holding office as both legislator and minister. The term of office was extended for legislators as well as for the president. Provisions for a gradual decentralization of government included the establishment of provincial assemblies, but the legislation necessary to implement this provision was never enacted.

An electoral court was created, and a system of proportional representation for political parties replaced the cumulative vote system. Suffrage was extended to all literate males over twenty-one; a 1949 amendment gave women the right to vote. A new system for the selection of judges was instituted in an effort to protect the independence of the courts.

Church and state were separated and freedom of worship guaranteed. Other constitutional guarantees included equality before the law and freedom of expression and association. Property was

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said to be inviolable, but provision was made for the limitation of individual property rights in accordance with social need. This qualification provided a judicial basis for the limited agrarian reform program that was instituted by the government in the 1960s.

Advanced social concepts embodied in the constitution included an assurance of protection to labor and industry and an assertion of the responsibility of the government in matters of health, education, and welfare. The guarantee to each citizen of "a minimum of well-being adequate for the satisfaction of his personal needs and those of his family" served as constitutional underpinning for various reform measures instituted or proposed by the government in the mid-1960s.

Article I of the 1925 constitution asserted: "The State of Chile is unitary. Its government is republican and representatively democratic." Until 1973 the national government was characterized by the three traditional branches—executive, legislative, and judicial—and a fourth of almost equal importance, the office of the comptroller general, which handled revenues and expenditures. Although the balance of power favored the executive, the bicameral legislature was able to exercise effective influence. In many cases, especially those involving executive-sponsored reform measures, it created a stalemate. Proportional representation within the multiparty system made it extremely difficult for a single party to hold more than one-third of the seats in both houses, and the resulting coalition rule generally necessitated compromises that severely curtailed the executive's proposed programs.

At the apex of the judicial system was the thirteen-member Supreme Court, which was given the authority to declare a law unconstitutional but could not invalidate it. Judges at all levels were appointed by the president and could be removed only by a judgment of malfeasance by the Supreme Court.

The president could call Congress into special session to consider proposals offered by him and could declare urgency of dispatch for a bill, in which case it had to be acted upon within thirty days. Most legislation allowed for a considerable amount of executive discretion in supplying details as well as in administration. A 1943 amendment to the constitution gave the president exclusive authority to initiate legislation altering the political or administrative divisions of the country, creating new services or salaried positions, and increasing the salaries of government employees.

The president appointed cabinet members, judges, diplomats, intendants of the provinces, governors of the departments, and various other civilian and military officials. The duties of cabinet members included drafting and presenting bills, countersigning presidential decrees and other official documents, and serving as agents of communication between the administration and Congress.

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Alessandri was the first president in Chile's history to perceive and act upon middle-class and urban labor demands for social justice. Although electoral restrictions had prevented many illiterate laborers from voting for him, he had traveled the country to seek their support. The traditional agrarian, commercial elite continued to dominate Congress, but the election of an outspoken reformer was a milestone in Chilean politics. After that, many politicians began to promise social and economic justice to the poor, reaching a climax in the middle 1960s and early 1970s.

After the new constitution was adopted, President Alessandri resigned again because his defense minister, Ibáñez, refused to withdraw his name from the upcoming presidential election. After Alessandri resigned, Ibáñez withdrew his candidacy. The vice president was elected president, but General Ibáñez forced him to resign in 1927. Ibáñez became vice president and subsequently president in a special election.

General Carlos Ibáñez' Authoritarian Regime, 1927-31

The Ibáñez regime in some ways used methods similar to those employed by Portales almost a century earlier. Stern measures were adopted against political opposition—proscription or imprisonment—and vigorous efforts were made to eliminate graft from the government. Extensive reform programs were launched, and sweeping changes were made in the educational system with a view to reducing illiteracy. The government took steps to improve agricultural production, to revive the nitrate industry, to stimulate coal mining, and to improve health conditions. Copper had become a major factor in the economy and as with nitrates was controlled by foreigners, particularly North Americans. When effects of the world depression were felt in Chile after 1929, the Ibáñez government initiated an extensive program of public works financed largely by loans obtained in the United States.

The Ibáñez regime was highly controversial for its reforms and for its authoritarian character. Ibáñez was a military officer, trained in the Prussian methods of Chile's national Military School. He did not hesitate to use military force against dissidents. His severe repression eventually led to a general strike that resulted in his resignation from office. But he was also responsible for the adoption of an exemplary labor code, for using the state to promote industrialization, for borrowing from foreign sources for the same purpose, for greatly expanding public works projects, for colonizing the south with agriculturalists, for settling the Tacna-Arica boundary dispute with Peru, and for educational reforms.

Ibáñez' labor code was not merely a compilation of existing legislation. It added agricultural laborers to those already protected, and it set up a new court system to handle mandatory collective bargaining. New port facilities, sanitation systems, and road systems were built. The University of Chile became autono-

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mous. Yet, he was a dictator. He persecuted some labor groups and leftist political parties, exiled critics, censored the press, and intimidated Congress. As the economic depression deepened, resentment against Ibáñez' repression of civil liberties increased. Unpaid soldiers, dismissed government employees, the unemployed, and students rioted. In the midst of a general strike, Ibáñez resigned and left for Argentina.

During the next fifteen months the country experienced the greatest turbulence it had known since national independence. Communists, aided by units in the navy, instigated a revolt, which was ultimately suppressed. There were several army revolts, a series of juntas, and three different presidents. The second of these, Carlos Dávila, attempted to set up a socialist regime but was ousted by a military coup. In the face of widespread popular opposition to a military dictatorship, the general who had assumed power resigned after two weeks in office. As popular agitation for orderly rule increased, the chief justice of the Supreme Court called for an election late in 1932, and Arturo Alessandri, who had returned from exile immediately after Ibáñez' departure in July 1931, was elected president by a large majority.

Forty Years of Constitutional Democracy, 1932-73

Radical Party Dominance, 1932-52

From 1932 to 1952 the Radical Party coalition dominated the presidency. Alessandri won with the support of the parties of the center and became more conservative than he had been in his previous term. He faced the problems of recovery from the Great Depression and of the reestablishment of civilian constitutional government. Just as in his first term he had made his mark in history by recognizing the new political forces and economic needs of the middle and laboring classes, so in the second term he is remembered for restoring constitutional government in Chile. Although he achieved some reforms in health, housing, and education, his term was marred by repression of political dissidents and increasing political polarization. He was able, however, to purge the military high command and to organize a civilian parliamentary force as a counterthreat to the use of military force against the government.

Alessandri had promised constitutional rule and appointed Conservatives to his cabinet. But he dealt sternly with Congress and the press, and he exiled political critics—an Alessandri markedly different from the idol of the masses who had been elected in 1920. Disenchanted, the Radical Party withdrew its support. Before the end of Alessandri's term its members were collaborating with the Communist Party of Chile (Partido Comunista de Chile—PCCh), which had been established in 1922, and the Socialist Party of Chile (Partido Socialista de Chile—PSCh), which was formed in



*City of Concepción
Courtesy PROCHILE*

1933, to organize a popular front.

Alessandri made determined efforts to restore order, to reduce unemployment, and to promote domestic industry, and these efforts resulted in a remarkable degree of economic recovery. Nevertheless he found it necessary to deal with continuing disorders. In 1933 he suppressed a plot backed by the army and navy but attributed to the Communists. Farmers who rioted and destroyed crops were massacred at Ranquil; police arrested hundreds whom they accused of instigating this uprising, and they raided Communist Party headquarters in a number of cities. Severe repression of a strike in 1936 further damaged Alessandri's reputation.

In the face of these events, wealthy agriculturalists and businessmen gave significant support to the National Socialist Party—organized along the lines of the German Nazi Party—which in 1934 publicly threatened to retaliate against the leftists. A civilian paramilitary Republican Militia, numbering an estimated 50,000, was formed to protect the government against an overthrow by the National Socialists or the Communists. In Septem-

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ber 1938 the government put down, with some bloodshed, a revolt credited to the National Socialists.

By the end of his term in 1938, Alessandri was opposed by parties of the center and the left, united under the banner of the Popular Front formed in 1936 to contest the 1938 presidential election. Organized labor was becoming a potent political force. During Alessandri's term alone the number of unions registered with the government doubled. Despite Alessandri's previous identification with urban workers in the 1920s, by the late 1930s labor rejected Alessandri and wholeheartedly supported the new Popular Front candidate, Pedro Aguirre Cerda. After a bitter campaign Aguirre was declared the victor, having secured a margin of 4,000 votes out of a total of some 450,000.

Aguirre's brief administration was plagued by economic problems, by opposition from Conservatives, and by a split in the Popular Front, principally between the communist and socialist elements. He undertook the difficult task of carrying out economic and social reforms while attempting to mollify the conservative and wealthy segments on whom the increased tax burden would fall. The country's troubles were compounded in 1939 by the worst earthquake in the country's history, in which some 20,000 people died; by disruption of trade resulting from the outbreak of World War II; and by strikes fomented by Communists. Nevertheless, Aguirre succeeded in carrying out some of his rehabilitation and reform policies, such as expanding and improving the educational system to meet the needs of more students.

The Popular Front government created the Development Corporation (Corporación de Fomento de la Producción—CORFO), to foster economic development, particularly through planning the establishment of new industries. A major achievement of CORFO was the planning of the first modern steel plant in Chile, near Concepción, which was later built with considerable financing from the United States Export-Import Bank. CORFO became more important to industrialization for import substitution after World War II and became the mechanism for greatly increased involvement of the state in the economy.

By the time of his death in 1941, Aguirre had recruited wealthy friends to join his cabinet and therefore had lost the support of some Radicals, who also objected to the ruthless handling of strikes. After his death, Juan Antonio Ríos, an anticomunist member of the Radical Party, was elected president. As a result of internal dissension and controversy, the Popular Front fell apart.

The Ríos government, installed in February 1942, stressed the importance of industrialization and economic nationalism. The use of subsidies, exchange and price controls, and protective tariffs was extended, and trade agreements were negotiated, many of them with the United States. In addition the government expanded the school system, initiated a low-cost housing program,

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and made some progress in the field of public health.

Because of concern over possible trouble with its German population and fear of attacks on the country's long coastline, the Ríos government initially adopted a policy of neutrality in World War II. But in the face of increasing Axis espionage and deteriorating relations with the United States, the government broke relations with the Axis powers in 1943. Subsequently the government cooperated closely with the United States and, as a result of lend-lease arrangements and Export-Import Bank loans, strengthened both its defenses and its economy.

President Ríos died in January 1946. By that time politics had gravitated toward the left to a greater extent than before. Later in the year Gabriel González Videla, a member of the Radical Party who believed in the concept of the Popular Front, was elected president. Although he was not a Communist, he appointed Communists to his cabinet. Within five months it became evident that the communist cabinet members were using their positions to undermine the government, and they were dismissed. Early in 1948 González began expelling Communists from Congress. In September 1948 his government outlawed the Communist Party and purged its members from the labor unions. In spite of these political problems and a quickly suppressed revolt led by former President Ibáñez, the González government achieved some success in its promotion of petroleum exploration and development in Tierra del Fuego, construction of factories and power plants, and establishment of a sugar beet industry and the new steel plant at Concepción.

By the 1950s Chilean politics was not only polarized, but political party organization and ideology pervaded the government bureaucracy and many private associations. From the United States' perspective, one of the most unusual characteristics of Chilean politics up to 1973 was the vast reach of politics beyond government patronage to professional associations, industrial unions, associations of industrialists, and neighborhood councils who confederated regionally and nationally for political interest-group purposes.

When the elections of 1952 were held, the country was suffering from food shortages, inflation, and labor unrest. The victor in the campaign was General Ibáñez, the former president who, since 1931, had run for president several times, taken part in more than one revolt against the government, favored the National Socialists, and gained a reputation as a friend of Juan Perón of Argentina. But Ibáñez ran a campaign against politicians and against government corruption. (This apolitical stance was also used by the Conservative victor of the next presidential campaign, in 1958.) Chileans responded both times to appeals to improve the quality of government by abandoning party affiliation and ideology. Among the dissident groups supporting Ibáñez was the Communist Party,

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whose political rights he had promised to restore. An exchange of visits with Perón aroused adverse reactions among the Chileans, who opposed political ties with Argentina and continued to express devotion to democratic institutions.

During Ibáñez' six years in office the economy improved slightly, but a sudden drop in the price of copper, domestic inflation, a drought, and constant changes in the makeup of the government led to widespread demands for a change. Overriding problems were the burgeoning population, depression in the copper industry, stagnation in agricultural production and distribution, and strikes. He also fulfilled his campaign promise by removing the ban on political participation by the Communist Party. Ibáñez completed his term in office in 1958 at the age of eighty-one.

President Jorge Alessandri, 1958-64

In the election of 1958 Jorge Alessandri Rodríguez, son of Arturo Alessandri, was supported by a Conservative-Liberal coalition, while Salvador Allende Gossens was backed by the Popular Action Front (Frente de Acción Popular—FRAP), founded in 1957 and comprising Communists, Socialists, and other left-wing groups. (In the late 1960s this unity among leftist parties would be maintained and broadened into the Popular Unity coalition.) In the 1958 election the new Christian Democratic Party (Partido Demócrata Cristiano-PDC) nominated Eduardo Frei Montalva.

Alessandri won the election of 1958, benefiting from two personal advantages: the name of his famous father and a reputation as a successful, honest business executive. He attempted to resolve the economy's chronic problems by stressing austerity, raising taxes, balancing the budget in 1959, and taking steps to increase copper production. His achievements, however, were adversely affected by a disastrous series of earthquakes and tidal waves in 1960; by the strain on the economy resulting from an unrealistic valuation of the currency; by a growing trade deficit and a grave reduction in foreign exchange reserves; and by rising prices, speculation, and demands for higher wages.

Alessandri made prodigious efforts to cure the country's economic ills through government action. He had the satisfaction of knowing that, generally speaking, law and internal security had prevailed during his administration. In response to the challenges presented by revolutionary changes in Fidel Castro's Cuba and in cooperation with the United States Alliance for Progress, he sponsored land reform legislation that established the agencies responsible for subsequent expropriation and compensation. Later governments would carry out that reform until the advent of the military government in 1973. By the time he completed his term, however, a majority of the voters demanded more sweeping changes, and in the election of 1964 they chose the PDC leader,



View of Santiago from Santa Lucia Hill
Courtesy Veronica Stoddart/Americas

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Frei, whose platform promised land distribution based on due process of law; greater Chilean participation in foreign-owned copper companies; control of inflation; antipoverty programs; and reforms affecting taxation, housing, labor, social security, health, and education.

"Revolution in Liberty," 1964-70

By 1964 two persistent problems of the economy had become highly emotional political issues: foreign domination of copper production, upon which a large share of government revenues depended; and large, relatively unproductive landholdings that were widely considered to be a major factor in the persistent economic stagnation. That a consensus for structural changes in the copper industry and landownership had emerged by then is evident in the platforms of the two major parties contending for the presidency. Both the FRAP coalition and the Christian Democrats promised greater government control over the copper companies and accelerated land reform. FRAP candidate Allende and PDC candidate Frei differed mainly in the degree of national ownership of the copper industry and the pace of agrarian reform.

Both candidates pledged expansion of suffrage, more specific guarantees of the rights of labor, extensive agrarian reform, governmental decentralization, parliamentary and judicial reforms, and increased educational opportunities and welfare benefits. Both proposed to extend state controls over the economy, but Allende advocated a greater degree of control than did Frei. FRAP proposed nationalization of the foreign-owned copper mines while the Christian Democrats proposed "Chileanization"—the acquisition of part ownership and control of foreign copper holdings by the state.

Regardless of who won, nationalizations and expropriations would occur. Just as the election of Arturo Alessandri in 1920 had been a milestone in electoral politics, so the 1964 election of Frei was an important turning point in the direction of social change.

The campaign was well under way more than a year before the election. Until early 1964 many observers believed that Julio Durán of the rightist Democratic Front might win. In a congressional by-election, however, the FRAP candidate easily defeated the Christian Democrat and Democratic Front candidates, and the front collapsed. The Radical Party element of the front then chose Durán as its candidate. Other left-wing elements of the front threw their support to Allende, and the Conservatives shifted their support to Frei. An independent candidate, Jorge Prat, had even less of a chance than Durán and withdrew before the election.

The political, social, and economic conditions prevailing on the eve of the 1964 presidential election, the appeal of the solutions that the Christian Democrats proposed to meet those conditions,

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and Frei's personal appeal were largely responsible for his victory. He secured 56.1 percent of the vote, Allende 38.9 percent, and Durán 5 percent. Fear of communism among the non-Marxist left also helped Frei to victory. Urban and rural workers and the moderate left middle-class voters were exhilarated by Frei's slogan, "Revolution in Liberty." Anticlerical Radicals favored the idea of a revolution without bloodshed and totalitarianism. Catholics were gratified to hear the call for social justice within a traditional Christian context, and women—who were granted the right to vote in 1949—enthusiastically supported Frei. Workers endorsed his proposed democratization of the political process, increased unionization, and distribution of unproductive land. Because of the "Chileanization" of copper, the Christian Democrats attracted financial help from multinational corporations that favored partnership with the PDC over outright nationalization by FRAP. The Christian Democratic campaign was also given a boost by the provision of several million dollars by the United States government.

The 1964 election saw the revival of political parties based on ideologies; clear alternatives were offered between the center and the left and between the religious and the secular. The Christian Democrats based their appeal to the spirit of Christianity within a framework of religious pluralism, democracy, social justice, and nationalism. The Radical Party emphasized the values of individualism and secularism. Within FRAP, the Communist Party and the Socialist Party appealed to the economic and social frustrations of the working classes and advocated extensive state control over the economy. Their "European" roles tended to be reversed, however. On the one hand, the Communist Party professed adherence to democratic means of gaining political control. On the other hand, the Socialist Party had not foresworn violence as an alternative for gaining power but had not found the appeal to violence politically expedient.

Historically, Chile has been profoundly influenced by the Roman Catholic Church, whose missionaries came to the New World with the conquistadors. The constitution of 1925 provided for complete separation of church and state but, in the mid-1960s, the great majority of the population were Catholics, and the Christian Social Movement, developed within the Catholic Church, was reflected in the beliefs and ideals of the PDC.

The Jesuits, who had resumed their work in Chile in the mid-nineteenth century, influenced both the development of Christian Democratic ideology and the training of the Christian Democrats' leaders. During the 1920s and 1930s two Chilean Jesuits, Jorge Fernández Pradel and Fernando Vives del Solar, took up the idea of the church's social mission as proclaimed in the 1891 papal encyclical *Rerum Novarum*. For a number of years the two priests traveled throughout the country founding labor

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unions and establishing credit, housing, and consumer cooperatives. In his study group at the Catholic University of Santiago, Pradel imparted to the students the ideals of the Christian social doctrine. Among these students were Frei and other founders and intellectual leaders of the PDC. Alberto Hurtado Cruchaga, one of many disciples of Pradel and Vives del Solar, founded the Catholic trade union center *Acción Sindical Chilena*; the periodical *Mensaje*, which spread the Christian social philosophy among the Catholic intelligentsia; and the Christian Home (Hogar de Cristo), a large social welfare organization that provided shelter and food to the destitute. After the 1950s the church embarked on a new course, directed at combating religious indifference and providing leadership in programs of social, economic, and religious reform.

Frei's "Revolution in Liberty" government began to enact fundamental social and economic changes immediately after his inauguration. Even before taking office, Frei had begun to negotiate with North American copper companies for the purchase of majority shares in current mines and major shares in future mines. This private effort laid the basis for the rapid lessening of foreign control over copper production. Despite opposition criticism of his "arrogance," the preparation allowed him to propose immediate purchase of copper stock for the state copper company. After a year's debate, Congress enacted his proposal in 1966.

Early in his term Frei also began to lay the constitutional basis for the redistribution of land by seeking an amendment to the constitution to provide for long-term rather than short-term indemnification of expropriated land. This amendment did not pass until 1967. In 1965, as these initiatives were debated, the president had to campaign in congressional by-elections. Again his party won overwhelmingly and became the largest political party in twentieth-century Chile. It won control of the lower house of Congress from the rightist parties. FRAP held its strength, and it appeared that Chile was changing from several parties to only three major parties: the PDC, FRAP, and the National Party (Partido Nacional), a new conservative coalition.

The Christian Democrats continued to work for their program of rural reform. Rural strikes were allowed in 1967, after having been outlawed since 1939. Rural unionization was legally established, and thus the groundwork was laid for a massive increase in rural labor participation in politics. But the pace of land distribution proceeded slowly, and the left demanded that it be accelerated. Although in 1967 Frei gained the right to expropriate large holdings that were uncultivated or badly used, he concentrated his expropriation efforts in less valuable areas and did not fully use that power (see *Agrarian Reform*, ch. 3).

Frei was most successful and least criticized in his efforts to improve the quality and scope of education in Chile. Until 1973

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Chile was in the forefront of mass education in Latin America. Primary-school enrollment increased rapidly under Frei's government, particularly in rural areas. New schools and better supplies enabled about 95 percent of the rural children to go to school by 1965, albeit many of them attended for only brief periods.

The universities, through various student organizations, have had a historically significant role in the political life of the nation (see Education, ch. 2). Under the Frei government the system was greatly expanded and its curriculum reevaluated to emphasize Chile's history and problems. Frei's educational reform plan also included increased public expenditures for teachers' pay and school construction. The educational system underwent considerable change because of increased attendance and orientation toward training youth to solve the problems of economic development and social mobility. Frei's achievements were both quantitative and qualitative.

Late in his term Frei sought to strengthen the president's ability to break congressional impasses by asking that the constitution be amended. Although constitutional amendments were not difficult to achieve under the 1925 constitution, they were always controversial. Nevertheless, several amendments were passed. One made it easier to resolve legislative deadlocks by calling a plebiscite when the executive and Congress disagreed. A tribunal was set up to decide controversies if Congress or the comptroller general challenged the constitutionality of presidential legislation. Frei won the right to submit legislation on an "urgent" basis to force Congress to consider it quickly. He received permission to reorganize his government's administrative departments and to travel abroad without having to petition Congress for approval. All of his amendments strengthened the president's power in relation to Congress and streamlined the legislative process to his advantage. Also in his favor, because he had attracted a considerable following among youth, was the amendment that lowered the age of voters to eighteen. Another amendment abolished literacy requirements.

Frei's foreign policy constituted no conspicuous break with traditional tenets of Chilean policy: to maintain Chile's power and influence in South America and to avoid involvement in great-power conflicts. The tone and emphasis of Frei's policies, however, clearly reflected the orientation of the Christian Democratic movement, which favored democratic regimes and opposed totalitarianism. Nevertheless, the extension of the democratic spirit to international relations was expressed in a policy of "internationalism" that erected no ideological barriers to either trade or diplomatic relations. This position embraced a desire to maintain relations with the developing countries throughout the world. The Christian Democrats under Frei were critical both of United States intervention in the Western Hemisphere and of Soviet in-

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tervention in Eastern Europe. Chile continued to look to West European countries for trade, aid, and cultural inspiration.

Under the Frei government, diplomatic relations were reestablished with the Soviet Union and all of the communist countries of Eastern Europe except Albania and the German Democratic Republic (East Germany); also, commercial ties were established with China. Frei expressed his country's desire to see Cuba readmitted to the Organization of American States (OAS), but diplomatic relations with that country, severed in 1964, were not renewed.

The Frei government strongly supported the OAS, the United Nations (UN), and other regional and international organizations. In 1968 the Chilean proposal for "latinization" of regional organizations struck a responsive chord among Latin American nations. The Frei government sought to strengthen the influence wielded by the country within the overall inter-American framework. Although the Christian Democrats desired to maintain a good working relationship with the United States, they wished to avoid being considered too influenced by it.

Frei reaffirmed his country's dedication to the resolution of international problems by peaceful means. Although the government continued its adherence to the 1948 Inter-American Treaty of Reciprocal Assistance (Rio Treaty), it expressed its skepticism of collective security pacts and maintained that peace could be secured only through disarmament and broader international cooperation.

Frei was a leading proponent of Latin American economic integration. His government fully supported the objectives of the developing countries as enunciated at the United Nations Conference on Trade and Development (UNCTAD) in 1964 and 1968. Frei and his government maintained that the significant division among the nations of the world was not between East and West but between North and South, between the developed nations of North America and Europe and the Third World nations of Africa, Asia, and Latin America. The Christian Democrats further maintained that the rich nations were under a moral obligation to assist the poor ones in such matters as improvements of the terms of trade for primary products and commodity price stabilization.

By the late 1960s the Christian Democrats were losing popular support to both the left and the right. The left asserted that the party had not lived up to Frei's campaign promises, and the right disliked the reforms Frei had in fact enacted. Economic growth remained slow, and all social classes were frustrated by shortages of consumer goods. Coinciding with these issues inflation, soon to become much worse, had already become a severe hardship, particularly to the lower and middle classes.

Political polarization between the left and the right intensified, and by 1970 the country faced not only the two alternatives of

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Christian democracy or Marxism but also violence-prone extremist groups from the right and the left. An October 1969 revolt by Chilean army units in Santiago led by General Roberto Viaux was ostensibly engineered to dramatize a demand for higher military pay. Many interpreted it as a coup attempt, however, foreshadowing future military responses to political events.

By 1969 the left had replaced FRAP with Popular Unity (Unidad Popular) under the leadership of Allende. Many leftists formerly allied with the Christian Democrats moved into Popular Unity while conservative Christian Democrats joined the National Party.

The major contenders in the September 4, 1970, presidential election were former President Jorge Alessandri of the National Party, Radomiro Tomić Romero of the left wing of the Christian Democrats, and Allende of Popular Unity. In essence, Alessandri promised to pursue the policies of his previous term of office; Tomić promised to accelerate Frei's policies; and Allende promised to deliver on the pledges he had made in three earlier elections, i.e., a thorough socialization of the economy by democratic procedures. After a highly emotional campaign, the official tally of the votes showed that Allende had secured 36.3 percent of the vote, Alessandri 34.9 percent, and Tomić 27.8 percent.

The 1925 constitution provided that if no candidate in a presidential election received a majority, Congress would, seven weeks after the popular election, choose between the two candidates who received the largest number of votes. Chilean tradition had it that Congress voted for the candidate who had received the largest plurality in the popular vote. The Christian Democrats were the largest group in Congress, however, and thus had the power to vote Alessandri into the presidency, although they were reluctant to break with past tradition. Alessandri announced that if the Christian Democrats would elect him, he would resign immediately, thus forcing another election in which he would support Frei, who because of the intervening presidency would be eligible for reelection. Frei stated that neither he nor his party would thus misuse the constitutional procedure.

At the time, a number of retired and active-duty Chilean officers were plotting a coup but were unable to act as long as General (General de Ejército) René Schneider Chereau, the army commander in chief, vigorously opposed any unconstitutional acts. As the congressional vote became imminent, pressure mounted to thwart Schneider's influence. On October 19 and again on October 20 unsuccessful efforts were made to kidnap him. On October 22 a third attempt was made, during which Schneider was mortally wounded. The coup plans were quickly aborted as this, the first assassination of a major Chilean leader since that of Portales in 1837, shocked the nation and rallied opinion within the military, for the time being at least, around the "constitutionalist"

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position of their slain commander. A military court later convicted General Viaux, who had been forced into retirement after the 1969 revolt, to twenty years in jail as "intellectual author" of the Schneider kidnap attempt.

On October 24 Congress elected Allende president by a vote of 153 to thirty-five. The overwhelming vote in Congress for Allende resulted from an understanding reached between Allende and the Christian Democrats in early October. The latter promised to support Allende if he would, as president, accept constitutional amendments proposed by the Christian Democrats. In the Statute of Democratic Guarantees, Allende promised to continue government aid to private (mostly parochial) schools, to ensure a free press, and to maintain and support the civil service system. He further agreed not to create a military force outside the constitutionally sanctioned armed forces. These several amendments would be passed by Congress on December 21 and signed into law by Allende on January 9, 1971.

The Allende Government, 1970-73

On November 3 Allende took the oath of office. During the next several months his government used existing, although sometimes obscure, legislation to nationalize numerous industries and placed before Congress legislative proposals to sanction the extensive socialization of the economy that he had promised in his four presidential campaigns. By July 1971 the government had nationalized 60 percent of the private domestic banks and had purchased the assets of a number of foreign banks, including the Bank of America and the Bank of London and South America (see Appendix B). On July 11, 1971, a joint session of Congress amended the constitution to permit the nationalization of the copper industry; of the 158 congressmen present and voting, all voted in favor of the amendment. The amendment stipulated that compensation should be paid to the former owners over a period of thirty years and that at least 3 percent interest should be added.

In this same period the Allende government was also taking action to move ahead on land reform measures. The first violent challenge to the government came from those Allende hoped to help in this regard, however. In February 1971 he asked Congress for legislation to empower him to arrest and imprison the instigators and leaders of the large number of illegal land seizures that had taken place in southern Chile during 1970 and early 1971. The proposed legislation was specifically directed against the violent and extreme members of the Movement of the Revolutionary Left (Movimiento de Izquierda Revolucionaria—MIR), although few *miristas* were ever prosecuted for their activities aimed at the radicalization of Allende's reforms.

Almost from the outset Allende's program for a "transition to socialism" was under attack not only from the political right but

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also from the far-left segments of his own coalition. The coalition initially consisted of six parties, each with its own decisionmaking apparatus and interpretation of Marxism. The Communist Party espoused a gradual, legalistic approach. It endorsed a policy of enacting and implementing socialist measures within the framework of the constitution.

Some of the leaders of the Socialist Party—but not Allende—favored rapid and radical socialization of society by means that included extralegal or unconstitutional procedures. Allende's position coincided more with the PCCh than with his own Socialist Party, although he never wished to break with the Socialists. The other member parties of the coalition (all much smaller than the PCCh or the PSC) included the Unitary Popular Action Movement (Movimiento de Acción Popular Unitaria—MAPU), leftist secessionists from the Christian Democrats; elements of the Radical Party; the Social Democratic Party (Partido Social Democrática—PSD); and Independent Popular Action (Acción Popular Independiente—API). By 1973 the PSD had withdrawn from the coalition, while a leftist splinter from the Christian Democrats, the Christian Left (Izquierda Cristiana—IC) joined Popular Unity. Supportive of the goal of establishing a socioeconomic system based on Marxism but committed as well to armed uprisings and revolution were MIR and other smaller violence-prone guerrilla organizations that were outside the Popular Unity coalition but wielded influence, nevertheless, in the Allende government.

The Christian Democrats constituted the largest single party in the two houses of Congress throughout the Allende period. During the first year and a half of the Allende government the Christian Democrats managed to maintain internal unity by cooperating with Allende on numerous pieces of social legislation and by monitoring and criticizing the implementation of the legislation. Some of the legislative measures were, after all, extensions of government bills either passed or introduced during the Frei presidency. Moreover the left wing of the Christian Democrats was strongly against the rightist policies of the other major opposition group in Congress, the National Party. By late 1971, however, the party began to divide on the question of continued cooperation with Allende, and as the economic situation worsened throughout 1972 and 1973, the Christian Democrats began to block Allende's proposals. As political polarization intensified throughout the period, the left-of-center Christian Democrats experienced significant defections; some moved left to one of the parties in Popular Unity, but others moved right to join the National Party.

The National Party—a minority in Congress and the nation—was born out of the 1966 merger of Chile's two traditional political parties, the Liberals and the Conservatives. It represented conservative interests in general and had a large component of rep-

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resentation from banking, commercial, and landowning concerns. This group had suffered losses and reverses under the Frei presidency and, along with foreign economic interests, had become the primary target of the Allende government. Some members of the National Party had a weak commitment to participatory democracy and constitutionalism. Introduction of secret voting had broken the control of the landlords over the rural vote, and the extension of the franchise to illiterates and to eighteen-year-olds had further diluted the electoral clout of this largely upper and upper middle class group.

To the right of the National Party were fringe groups analogous to MIR on the left. The most prominent was Fatherland and Liberty (Patria y Libertad), a neofascist organization led by Pablo Rodríguez, that held contempt for the liberal democratic political order. After a temporary decline following the assassination of Schneider, the far right had regained considerable importance by 1972.

One fact of Allende's economic policy involved a sharp increase in wages. By July 1971 wages and salaries had been raised by almost 55 percent, and the legal minimum wage, in the private as well as the public sector, by about 66 percent. In addition the government instituted massive increases in public spending, in part to stimulate employment. By September 1971 public expenditures had increased by almost 80 percent over those a year earlier. At the same time, the government sought to hold the line on prices in an effort to control inflation. For most of 1971 the policy was generally successful. Between December 1970 and December 1971 the consumer price index rose by about 22 percent, whereas during the twelve months before December 1970 the index had increased by almost 35 percent.

By late 1971 some food shortages had become noticeable; beef, in particular, became harder to secure on a daily basis. These early shortages resulted from increased consumption rather than decreased production. During 1971 agricultural production increased by some 5 percent; it declined, however, by 3.6 percent in 1972 and some 16 percent in 1973. Food imports rose steadily from US\$168 million in 1970 to US\$619 million in 1973. General and severe shortages of food and other consumer items did not appear until late 1972, but the shortages then worsened steadily and dramatically throughout 1973. Black market activities were rampant by mid-1973. The rapidly deteriorating economic situation that followed in the wake of Allende's early successes was also reflected in the inflation rate: from 22 percent in 1971, the official consumer price index shot up to 163 percent in 1972 and 508 percent in 1973.

In the arena of foreign affairs, the Allende government successfully sought cordial relations with a wide spectrum of nations. Special emphasis was placed on cultivating good relations with

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also from the far-left segments of his own coalition. The coalition initially consisted of six parties, each with its own decisionmaking apparatus and interpretation of Marxism. The Communist Party espoused a gradual, legalistic approach. It endorsed a policy of enacting and implementing socialist measures within the framework of the constitution.

Some of the leaders of the Socialist Party—but not Allende—favored rapid and radical socialization of society by means that included extralegal or unconstitutional procedures. Allende's position coincided more with the PCC than with his own Socialist Party, although he never wished to break with the Socialists. The other member parties of the coalition (all much smaller than the PCC or the PSCh) included the Unitary Popular Action Movement (Movimiento de Acción Popular Unitaria—MAPU), leftist secessionists from the Christian Democrats; elements of the Radical Party; the Social Democratic Party (Partido Social Democrática—PSD); and Independent Popular Action (Acción Popular Independiente—API). By 1973 the PSD had withdrawn from the coalition, while a leftist splinter from the Christian Democrats, the Christian Left (Izquierda Cristiana—IC) joined Popular Unity. Supportive of the goal of establishing a socioeconomic system based on Marxism but committed as well to armed uprisings and revolution were MIR and other smaller violence-prone guerrilla organizations that were outside the Popular Unity coalition but wielded influence, nevertheless, in the Allende government.

The Christian Democrats constituted the largest single party in the two houses of Congress throughout the Allende period. During the first year and a half of the Allende government the Christian Democrats managed to maintain internal unity by co-operating with Allende on numerous pieces of social legislation and by monitoring and criticizing the implementation of the legislation. Some of the legislative measures were, after all, extensions of government bills either passed or introduced during the Frei presidency. Moreover the left wing of the Christian Democrats was strongly against the rightist policies of the other major opposition group in Congress, the National Party. By late 1971, however, the party began to divide on the question of continued cooperation with Allende, and as the economic situation worsened throughout 1972 and 1973, the Christian Democrats began to block Allende's proposals. As political polarization intensified throughout the period, the left-of-center Christian Democrats experienced significant defections; some moved left to one of the parties in Popular Unity, but others moved right to join the National Party.

The National Party—a minority in Congress and the nation—was born out of the 1966 merger of Chile's two traditional political parties, the Liberals and the Conservatives. It represented conservative interests in general and had a large component of rep-

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Latin America and the rest of the Third World and on building bridges to communist nations. In Latin America, relations with Mexico and Cuba were particularly close. Cuban Premier Castro and Allende exchanged official visits (Castro spent nearly a month in Chile during 1971), and the Chilean regime made efforts to remove the embargo imposed on Cuba by the OAS in 1964. Chile was an active participant in the six-nation Andean Common Market (Andean Pact) throughout the Allende administration. Its efforts to promote solidarity among the nations of the Third World were capped in 1972 by Chile's hosting of the third meeting of UNCTAD. Diplomatic relations were established with a number of communist nations, including China, the Democratic People's Republic of Korea (North Korea), the Democratic Republic of Vietnam (North Vietnam), Albania, and Cuba. Allende made an official visit to the Soviet Union in December 1972, and the Soviet Union, as well as China and North Korea, extended substantial economic aid to Chile.

Relations with the United States cooled dramatically during the Allende regime. Bilateral aid to Chile ended following the expropriation of the Chilean assets of the United States-based Kennecott and Anaconda mining companies, and additional United States efforts were made to block economic assistance from multilateral lending agencies. United States military aid, in contrast, continued throughout the period.

If bilateral relations were publicly cool, beneath the surface they were icy. Testimony by senior United States officials in 1975 before the United States Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities revealed a variety of covert operations by agents of the United States Central Intelligence Agency between 1970 and 1973 initially aimed at preventing Allende from coming to power and subsequently at providing material support to opponents of the government. During those years some US\$8 million was spent on a variety of efforts, including "spoiling operations" aimed at blocking Allende's election; efforts to persuade Christian Democratic legislators to vote against Allende in the October 1970 presidential vote in Congress; attempts to encourage and support a coup d'etat by Chilean military officers before that crucial vote; and after the Allende inauguration, support for opponents of Allende in the political parties, the media, and private sector organizations.

In 1972 the Allende government was engaged in frequent and increasingly bitter political battles with the opposition parties in Congress and in legal disputes with multinational companies in the courts of France, the Federal Republic of Germany (West Germany), the United States, and other Western nations. There were repeated congressional efforts to curb executive power to intervene in the economy. Congress impeached and thus forced

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from office an ever-larger number of members of Allende's cabinet, and increasingly Allende responded by assigning the impeached minister a different portfolio. In April 1972 he appointed an active-duty army general to the cabinet, the first such appointment in more than a decade. In June all members of the cabinet resigned at Allende's request, and the general was not included in the new cabinet. In July there was another cabinet adjustment, and in November Allende again made several cabinet changes in response to a massive October strike and lockout by truck owners, merchants, industrialists, and professionals. He appointed military officers as minister of mining and minister of public works and transportation and named the army commander in chief, General Carlos Prats González, as the minister of interior, a powerful and politically sensitive post. Prats and the others served in these positions until March 1973.

The departure of the military officers from the cabinet occurred in the aftermath of the March 4 elections for all the members of the 150-member Chamber of Deputies and for twenty-five of the fifty members of the Senate. Popular Unity candidates won 43.4 percent of the votes; its combined opposition, 54.7 percent. The Christian Democrats and the National Party had pooled their efforts, under the name of the Democratic Confederation (Confederación Democrática—CODE), for the election. Former President Frei noted that his forces retained control of the Chamber of Deputies, eighty-seven to sixty-three, and of the Senate, thirty to twenty, and claimed an election victory. Allende pointed out that Popular Unity candidates had gained six new seats in the lower house and two seats in the upper and that Popular Unity's percentage of the vote had increased by seven points from the 1970 presidential election, and he also claimed victory. The opposition pointed out that the Popular Unity vote was some 6 percent below its tally in the nationwide 1971 municipal elections, while the governing coalition could claim that its percentage was virtually unchanged from the 1969 congressional elections—a remarkable achievement considering the abysmal economic conditions prevailing in 1973.

Although several members of the church hierarchy were personally close to many of the founders and leaders of the PDC, the church had remained officially neutral during the 1970 election. In the aftermath of Allende's victory the bishops issued a collective statement reaffirming the church's commitment to democratic procedures and expressing confidence that those procedures would be upheld by the new government. After Allende's inauguration, he and Cardinal Raúl Silva Henríquez—then and in mid-1982 the ranking prelate of the Chilean church—exchanged the traditional courtesy visits. Throughout Allende's term in office, Cardinal Silva regularly appeared publicly with him at state functions.

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In 1973 the bishops for the first time publicly criticized an Allende proposal. The Ministry of Education in February 1973 formally proposed a national unified school system, which among other things provided for work-study programs. About 15 percent of the nation's schools were Roman Catholic schools, and the proposal to alter the philosophical framework of the schools was anathema to the bishops and to many lay Catholics. In the face of the bishops' determined resistance and on receipt of a private message from the military leaders voicing their opposition to the proposal, Allende withdrew the proposal. But the bishops' suspicions as to Allende's long-range intentions had been made public.

By mid-1973 economic conditions were nearing chaos, and the political situation was increasingly dominated by violence. In late June professional workers went on strike in support of the two-month-old strike by the copper workers. In July the nation's truck owners also went out on strike. Government efforts to reach an accommodation with the opposition in Congress failed; instead, increasing hostility was capped by an August declaration in the Chamber of Deputies stating that the government had lost its legitimacy and calling on the military to safeguard the constitution. Allende also faced mounting hostility from the Supreme Court and the Office of the Comptroller General. The administration of government was reduced to the resolution of immediate crises.

By August, Allende no longer controlled the activities of the military. A series of raids were conducted on government offices and factories in search of weapons, and officers sympathetic to the government were purged from all the military services. On August 23 General Prats, who had earlier rejoined Allende's cabinet as defense minister, resigned both as defense minister and as army commander in chief. The next day General Augusto Pinochet Ugarte became the new army commander in chief.

On June 29 an unsuccessful coup attempt had been made, and in the spreading anarchy another attempt was expected. Opponents and proponents of the Allende government staged rallies, went on strike, and engaged in street warfare. Finally, it ended on September 11 when the armed forces bombarded and attacked the presidential palace. The ensuing death of President Allende was officially termed a suicide; others insisted that he was killed.

Introduction of Military Rule

Within hours of their seizure of the presidential palace and other places of equal military and psychological significance, the leaders of the coup issued a series of decree-laws that subsequently were identified as legislative acts that could not be challenged by any governmental body. Decree-Law 1 established the Military Junta of Government of the Republic of Chile and delegated to the junta unfettered legislative and executive powers. The members

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of the junta were identified as General Pinochet, the commander in chief of the army and, by a later decree-law, the president of the government junta; Admiral José Toribio Merino Castro, commander in chief of the navy; General Gustavo Leigh Guzmán, commander in chief of the air force; and General César Mendoza Durán, director general of the national police (carabineros). Decree-Law 27, also issued on September 11, dissolved Congress, provided that legislative acts would take the form of future decree-laws promulgated by the junta, and stipulated that "Executive power is vested in the President of the Government Junta who is the Supreme Chief of the nation with the powers, attributions, and prerogatives that this Statute grants him." The power thus delegated far exceeded the constitutional powers formerly shared by Congress and the president, even when they acted jointly. It was the first time Congress had been dissolved in Chile's 150-year history as an independent nation.

The initial cabinet formed by the junta included two civilians and twelve armed forces officers; by September 1974 another civilian was added to the cabinet. Military officers took over as provincial chiefs, mayors of important cities, rectors of universities, and heads of various government agencies. The three civilians were assigned the portfolios of economic coordination, economic development, and finance. In June 1974 Pinochet became the president of Chile rather than of the governing junta, thus ending speculation that a collegial or rotating system of leadership would emerge from military rule. The July 1978 replacement of General Leigh by Air General Fernando Matthei Aubel as the air force representative on the junta confirmed Pinochet's personal control over the armed forces and the Chilean government (see *The Military Government*, ch. 4).

During the first few months of its regime the military engaged in a campaign aimed at the leaders and activists of the political parties of the Popular Unity coalition and of the labor unions and social groups that had supported or collaborated with the Allende government. In addition to specific search-and-seizure operations, however, the military (mainly the army) and the police carried out seemingly random arrests of individuals who had either a casual connection with Marxist groups or none at all. Within weeks literally thousands of Chileans and hundreds of foreigners were herded into ad hoc detention centers. According to Paul E. Sigmund, generally viewed as one of the more careful scholars to have written on Chilean affairs of the 1960s and 1970s, between 3,000 and 10,000 people were killed.

The hierarchy of the Roman Catholic Church, agencies of the UN, and the OAS issued numerous statements, both in the immediate aftermath of the coup and during subsequent years, deplored what they described as the government's systematized use of violence. The International Commission of Jurists and Amnesty



Easter Island (Isla de Pascua)
Courtesy PROCHILE

International also repeatedly condemned the government, citing documented instances of summary execution, torture, and the "disappearance" of prisoners after their being detained by security officials. Such allegations of the widespread violation of human rights, particularly during the first four years of the military regime, had the effect of making Chile an international pariah at a time of increasing worldwide concern for the cause of human rights.

Shortly after the coup the hierarchy of the Roman Catholic Church joined with some Protestant clergymen (the evangelicals and fundamentalists tended to support all facets of military rule), the chief rabbi of the Jewish community, and others to form the Committee of Cooperation for Peace in Chile. Cardinal Silva was personally involved in the work of this committee, which among other things was to provide legal and other aid to those who were arrested and to their families and to seek to locate missing persons. Throughout 1974 and 1975 the committee and the church became more active in this and related work, and tensions between the government and the church hierarchy—particularly Cardinal Silva—increased. In December 1975 the committee was disbanded at Pinochet's insistence. The next month, however, Cardinal Silva established the Vicariate of Solidarity under the direct

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auspices of the Catholic hierarchy, a move that made the new organization less subject to government pressures. By the late 1970s the Vicariate had emerged as the most effective critic of government policies and defender of human rights. Among its activities were the publication of the monthly *Solidaridad* and the documentation of 669 persons who had "disappeared" in the wake of the coup (see Political Actors, 1982, ch. 4).

The economic policies pursued by the military government represented a profound reversal of Chile's forty-year tradition of state intervention in the marketplace and protectionism as a device to promote domestic industrialization. An economic team of civilian advisers, known as the "Chicago boys" because of their association with the school of free market economics at the University of Chicago led by Milton Friedman, wielded enormous influence in redirecting government economic policies from the state socialism pursued by Allende to a system of market capitalism. A large number of state-owned industries were sold to the private sector, portions of earlier land reform efforts were undone and land returned to its original owners, and protective tariffs were drastically reduced. Runaway inflation was vigorously attacked, although at the cost of high unemployment and increased concentration of wealth in the hands of a relatively small number of entrepreneurs who successfully adapted to the radically altered "rules of the game" (see Growth and Structure of the Economy, ch. 3).

Pinochet and his associates also drastically revised the nation's political system. They identified the adherents of Popular Unity as participants in an evil, worldwide Marxist conspiracy and the non-Marxist political parties as unwitting dupes of that conspiracy. Immediately following the coup, all Marxist political parties were declared illegal, while non-Marxist parties were declared to be "in recess." Trade union, professional, student, and neighborhood organizations associated with political parties were severely repressed. The impulses of the military rulers were not just anti-Marxist, they were also anti-politics. Nevertheless, throughout the first years of military rule there remained widespread hope, and support, for an early return to some modified form of civilian government.

In an interview in December 1976 Pinochet said that the military remained committed to the establishment and institutionalization of a political system described as "authoritarian democracy." He further asserted that Chile would never again function under the "outdated system of representative democracy" that had existed prior to 1973. A few months later he issued a decree that outlawed all political parties.

In a July 1977 speech at Chacarillas, Pinochet announced a three-stage plan that called for a gradual return to civilian rule; a new constitution to come into force in 1980; a popular election for

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Congress in 1985 in which two-thirds would be up for election; and a new president named by that Congress to serve a six-year term of office. It was over a year later, in September 1978, that the draft constitution finally emerged from the Constitutional Committee, an assembly of conservative jurists who had been appointed shortly after the coup. From the committee, the draft was passed to the previously appointed Council of State, whose chairman, former President Jorge Alessandri, presented a revised version of the constitution to the junta on July 1, 1980.

Until this time the junta and Pinochet's cabinet had been less concerned with the draft constitution than with a series of state-sponsored structural reforms known as the "seven modernizations." These were concerned with bureaucratic and judicial reform, the privatization of the public health and social security systems, the transfer of primary education from central to local government responsibility, the partial privatization of the higher education system, and a new mining code that would guarantee foreign investors against future nationalizations. By mid-1980 each of these reforms had been decreed into law and were at various stages of implementation.

The Chacarillas speech and the subsequent publication of the draft constitution led to the first semblance of public debate over Chile's future political institutions. The debate, spearheaded by the multiparty Group of Constitutional Studies, also known as the Group of 24, centered on the lengthy period of transition to civilian rule and the magnified powers of the executive branch outlined in the government's proposals. In spite of these concerns, the constitution as it emerged on August 10, 1980, had been significantly altered by the junta and Pinochet to make the transition period still longer and to increase further the powers of the president during that period (see "Institutionalization" and the 1980 Constitution, ch. 4).

On August 10 the president announced that on September 11, the seventh anniversary of the coup that installed the military government into power, the proposed constitution would be the subject of a nationwide plebiscite in which voters would be asked to vote "yes" or "no" on that document, which named Pinochet as president until 1989 and left open the possibility of his ruling until 1997. During the subsequent month the nation witnessed a political debate that, even though its terms were dictated by the government, was more wide open than any political activity in seven years and was capped by a mass rally at which former President Frei urged people to vote "no." When the tally had been completed, the new constitution had been approved by a margin of nearly two to one. It went into effect March 11, 1981, at which time Pinochet took the oath of office to begin his constitutionally mandated eight-year term of office.

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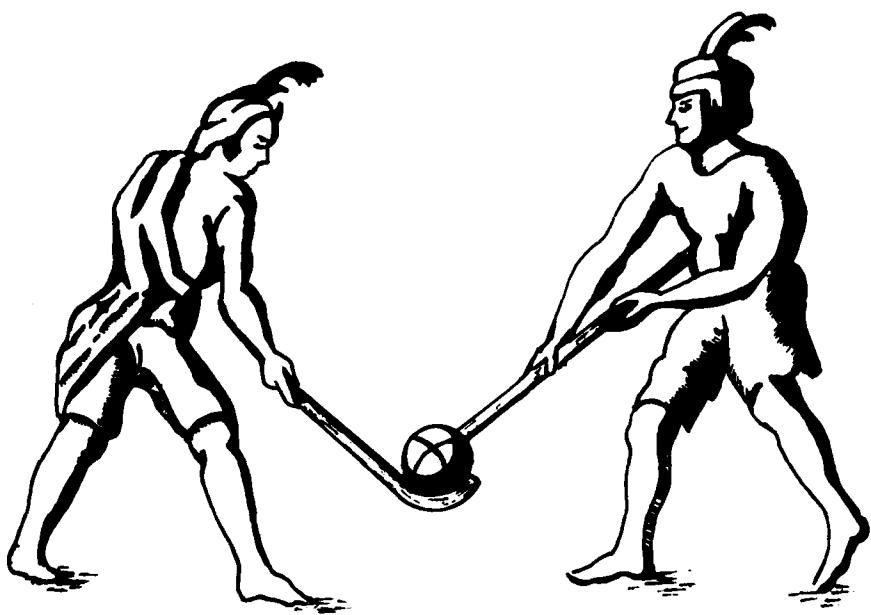
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Chile's nineteenth-century tradition of historical scholarship has enabled contemporary scholars to produce excellent descriptions and analyses of the history of the people. Of the works written or translated into English, Brian Loveman's *Chile: The Legacy of Hispanic Capitalism* and Luis Galdames' *A History of Chile* are two highly satisfactory accounts, and Loveman's study contains a descriptive bibliography. Julian H. Steward and Louis C. Faron's *Native Peoples of South America* introduces Chile's pre-Conquest civilizations and provides an excellent background to Bailey W. Diffie's classic study, *Latin American Civilization: Colonial Period*, and to Mario Góngora's *Studies in the Colonial History of Spanish America*. Simon Collier's *Ideas and Politics of Chilean Independence* presents an analysis of the controversies involved in the establishment of a national government in the nineteenth century.

Studies on the political history of Chile's constitutional period from 1932 to 1973 and of the military junta that took over in 1973 are numerous and frequently polemical. William F. Sater's "A Survey of Chilean Historiography, 1965-1976" and Federico G. Gil's *The Political System of Chile* provide interesting background material for the Allende and post-Allende periods. For the Allende period the works of Alan Angell, David F. Cusack, Stefan De Vylder, Liisa North, Thomas G. Sanders, and Paul E. Sigmund may be consulted. The reader who wishes additional information on United States involvement should read *Covert Action in Chile, 1963-1973* and *Alleged Assassination Plots Involving Foreign Leaders* produced by the United States Senate's Select Committee to Study Governmental Operations with Respect to Intelligence Activities. (For further information see Bibliography.)



Chapter 2. The Society and Its Environment





Ancient Araucanian Indians engaged in game of chueca

The Society and Its Environment

CHILE, AN ETHNICALLY diverse and socially complex society, has in the past century and—more particularly—in the 1960s and 1970s undergone dramatic changes. The vast haciendas that had so dominated the rural landscape were the subject of an extensive land reform. Parliamentary government that had been the domain of a few elite families of means was transformed by an expanding electorate. By 1970 a substantial mining and industrial labor force and a growing middle class had quite literally remade the social and political face of the country. The subsequent decade, however, first with the socialist government of Salvador Allende Gossens and then with the military government after 1973, witnessed what was perhaps the most dramatic reshaping of social, political, and economic structures in the nation's history.

The ethnic and social cleavages of earlier decades persisted through political transformations. Chile remained a country where few, the elite, controlled substantial wealth, where there was a large and expanding middle class, but where many still lacked secure income and employment. Despite fifty years of social and economic change, family ties continued to be a major determinant of success; the wealth of the elite was carefully diversified so that even a major land reform failed to undermine most elite family finances. Through the years the original Castilian aristocracy had welcomed Basque, German, Slavic, and Italian immigrants as they acquired the proper social credentials: wealth and a good marriage.

Ethnic diversity declines as wealth decreases on the social hierarchy. In the middle class the scattering of racially pure Europeans gives way to mestizos. Mestizo descendants of Spaniards and Indians form the overwhelming majority of the population. The only culturally distinct Indian community to survive the colonial era were Mapuche Indians, numbering about 500,000. They were conquered and settled on small, scattered reservations only late in the nineteenth century. Perhaps because of this long history of resistance they have managed to maintain a tenuous hold on cultural autonomy. They are, without a doubt, a disadvantaged minority. Nonetheless, their mode of subsistence and their level of poverty does not distinguish them from much of the mestizo rural populace.

In the largely mestizo lower orders ethnic homogeneity is accompanied by economic diversity. Mestizos run the gamut from relatively secure middle-class employment to rural labor. Prior to military rule politics was a major source of influence for lower and middle-class mestizos alike. Since 1973 the formerly well-organized, politically active middle and lower class labor unions

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have been severely limited in their sphere of activity. Secondary and university education—the traditional avenues of upward mobility for the middle-and lower-classes—became less accessible.

Wage earners in general experienced hardships during most of the 1973-82 period. Lower income migrants who flocked to the cities in search of better job opportunities from the 1940s onward have been hard pressed to deal with the unstable, and oftentimes shrinking, urban labor market. Economic adversity has spawned a profusion of self-employed, lower and middle-class businesspersons in the service sector. Having limited employment opportunities, Chile has witnessed a growth in the number of taxi drivers (at the upper end of the ranks of the self-employed), free-lance plumbers, electricians, messengers, workers in delivery services, laundresses, seamstresses, and domestics.

The changes in rural society have been no less dramatic. Land reform dismantled the large estates. The hacienda as a self-contained social system—in which the hacienda owner and peon were bound in a set of personalistic, reciprocal relations—has been replaced by mid-sized, often heavily capitalized modern farms and smaller plots allocated to former hacienda workers. Those who have shared in the benefits of land reform, however, remain a small fraction of the rural populace. Small landowners and landless laborers face many of the same constraints they always have: limited land and limited employment.

Geography and Population

The most obvious feature of Chilean geography is the country's configuration. Its coastline of about 6,435 kilometers and its land boundaries of about 6,325 kilometers encompass an area of approximately 756,626 square kilometers, somewhat larger than the state of Texas. At its widest its breadth is slightly less than 400 kilometers, and it averages about 170 kilometers in width. Although the country is located on the western fringe of the South American continent, the capital city of Santiago is located almost directly south of Boston. And because of its great length the hours of daylight and darkness vary greatly from north to south; on the longest day of the year, for example, the city of Arica has about thirteen hours of daylight, whereas Puerto Williams has over seventeen (see fig. 4).

Chile is a country of natural violence. Flash floods caused by the sudden melting of Andean snowfields throw walls of silt and debris-laden water on farming villages, lining the course of streams and endangering crops, property, and sometimes life. Sailors and fishermen must accommodate themselves to inadequately protected harbors and to storms and uncertain offshore currents. Natural violence at its most serious, however, is seismic in origin. Well over 100 major earthquakes have been recorded since compilation of records began in 1575, many accompanied by massive

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tidal waves. A majority of these disturbances have had epicenters north of Valparaíso, but the most serious have occurred to the south. Valparaíso itself was almost leveled by an earthquake and tidal wave early in the twentieth century and was severely shaken in 1965. Concepción has been leveled or damaged many times, and once its location was changed after it was virtually destroyed. It and other nearby population centers were affected by a 1939 earthquake that took some 20,000 lives; in 1960 a seismic disturbance and tidal wave damaged an area from Valdivia to Concepción, leaving over 350,000 homeless.

Geographic Regions

The country possesses both longitudinal and latitudinal divisions. On a longitudinal basis there are three outstanding parallel and related features: the coastal range of mountains; the great cordillera of the Andes; and a central valley that lies between the two ranges. The coastal range consists of a series of rounded hills broken occasionally by gorges and rivers. In the northern part of the country the peaks reach as high as 2,100 meters; but the system declines south of Valparaíso, and south of Puerto Montt the range disappears beneath the sea, although its peaks are prominent as the hundreds of islands to the south.

The spine of the Andes extends almost the full length of the country. Almost nowhere is it possible to face eastward without seeing its peaks. There are more than 100 volcanoes, and the recentness of the creation of the mountain system explains the frequency of damaging earthquakes. The cordillera rises more abruptly on its Chilean side than on the easier eastern gradients in Argentina, and the crests are higher along the northern half of the range where all passes are at more than 3,200 meters. In this northern sector is Nevado Ojos del Salado, Chile's loftiest peak—more than 6,800 meters. It is about 150 meters lower than Aconcagua, the highest peak in the Western Hemisphere, which rises in Argentina but on clear days can be seen from Santiago. South from Santiago the peaks become progressively lower, and passes are as low as 1,600 meters. In the far south the Andes continue to deteriorate and become lost in the lowlands of Chilean Patagonia on both sides of the Strait of Magellan. The system makes a final appearance at Cape Horn, which is the crest of a submerged mountain.

Geographers frequently divide the country into five or more regions by drawing imaginary lines from the Andean land frontier to the coast. (These geographic divisions should not be confused with the major administrative divisions within the country, which are also called regions; see *The Military Government*, ch. 4). There is no general agreement as to where these lines should be drawn, but the northern desert is customarily referred to as the Great North (*norte grande*) and the transitional region immediately to

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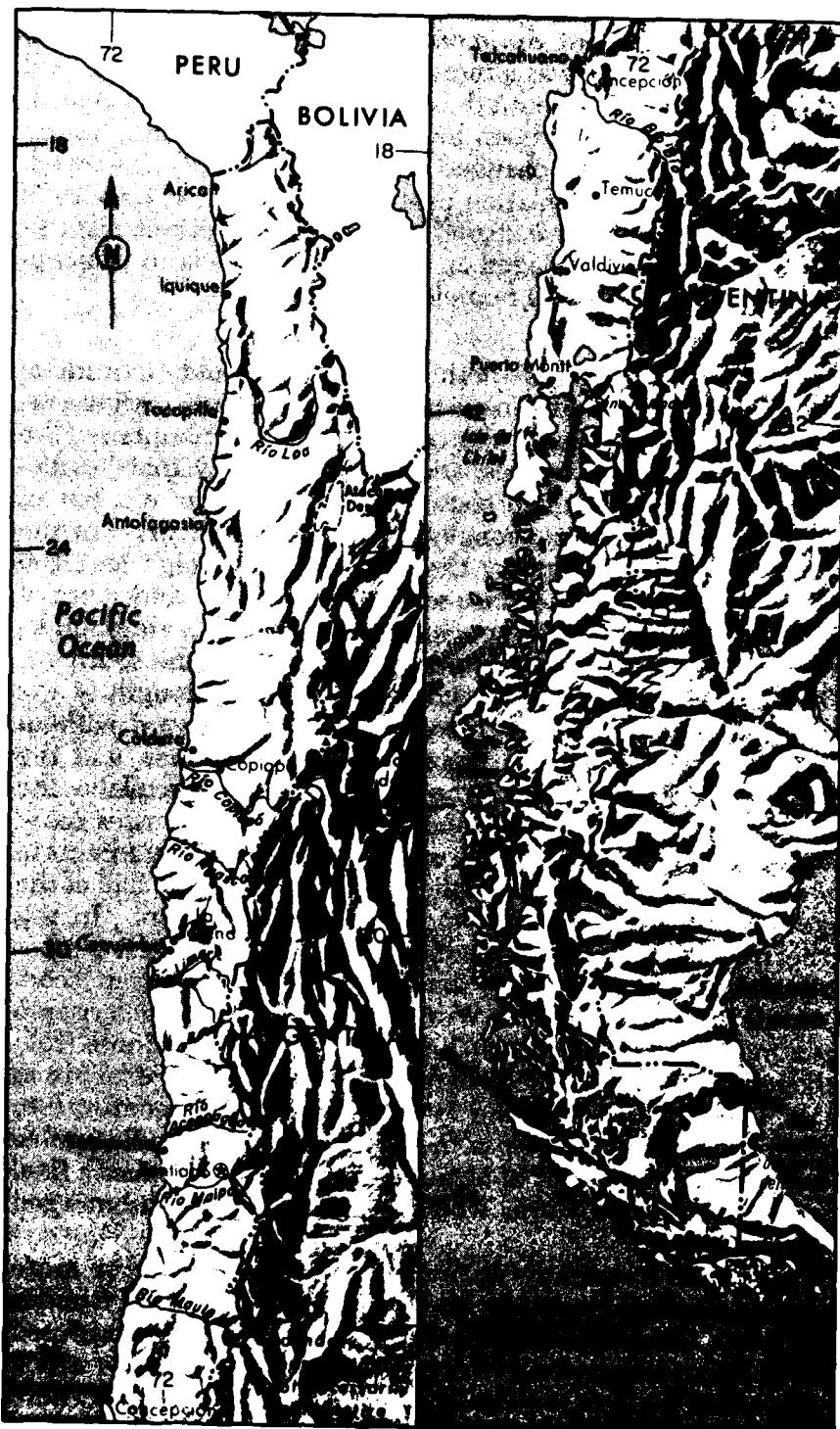


Figure 4. Topography

the south as the Little North (*norte chico*). The fertile and heavily populated midlands are usually cited as central Chile, and the land of forests and lakes to the south is called the lake country or south-central Chile. Finally, there are the remote archipelagoes, fjords, and channels of the far south. Because the country has several insular possessions and maintains a claim to a large part of Antarctica, there is also another region that is generally listed as the "other territories."

The Great North

This desert region includes the area north of 27° south latitude in the vicinity of the Río Copiapó. In this part of the country the central valley consists of a series of high plateau basins with sand, clay, and salt deposits, in which is found the caliche (natural salt-pter) from which nitrate is extracted. The coastal range reaches from 600 to 1,000 meters above sea level. It drops abruptly to the ocean in sharp cliffs, below which the narrow coastal plains are the sites of small cities and towns. Numerous streams drain from the Andes toward the Pacific, but with the exception of the Río Loa, which reaches the sea near Tocopilla, these waterways are absorbed by the Atacama Desert after providing limited amounts of water to oasislike villages.

The Little North

This area, which is sometimes known as the Andean fringe, falls roughly between 27° and 32° south latitude. It is a transitional zone made up of short transverse valleys formed between spurs from the Andes that make longitudinal traffic difficult. The most important of these fertile interruptions in an otherwise barren countryside is the Río Elqui Valley, inland from La Serena. The numerous rivers derive from thawing snow, and only three—the Huasco, Coquimbo, and Limarí—flow the year round. Harbors are poor, and the only port town of importance is Coquimbo.

Central Chile

The basin of the Río Aconcagua (north and east of Valparaíso) forms an extraordinarily fertile area known as the Vale of Chile, the southernmost point of advance of the Incas (see Conquest and Colonization, 1535-1800, ch. 1). From the southern boundary of the Vale of Chile the central valley stretches without interruption for over 500 kilometers to the Río Bío Bío. This region constitutes the country's heartland, the locale of the nation's great historical events and the current residence of between 70 and 80 percent of the population. The nation's frontier tradition—flowing from the wars of extermination that were waged against the Indians—was centered in the area near the Río Bío Bío, often called the "frontier region."

South-Central Chile (The Lake Country)

South of the Río Bío Bío the structural pattern of the countryside

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remains essentially the same for about 400 kilometers to the Seno Reloncaví. The Andes continue, but at decreasing altitudes; the numerous volcanoes lie west of the main spine of the cordillera. The southern portion of the zone is the true lake country. Several large lakes and numerous smaller ones fill the glacially dammed Andean approaches. The valley area between the two mountain ranges is crossed by numerous small rivers that serrate the residual coastal range. The coastline becomes more irregular, and there are more good harbors than in the north.

The Far South

Puerto Montt on the Seno Reloncaví is the terminus of the longitudinal railroad and of the central valley, which disappears beneath the sea. The coastal range continues only as hundreds of offshore islands in an area that is sometimes called Archipelagic Chile. The shoreline is deeply embayed and the terrain broken, and glaciers lie below the mountain peaks. Except where Península de Taitao juts seaward at about 46° south latitude, it is possible, although extremely hazardous, to navigate almost the full distance to the Strait of Magellan in a series of channels that run between the mainland and the islands. The far south has limited arable land and a small population.

Although Chile claims exclusive fishing rights in an area extending 200 nautical miles from its coastline, its territorial claim is limited to the traditional three nautical miles. In July 1977, however, the Chilean government issued a decree that established a series of straight baselines southward from 41° south latitude that place all of the coastal islands within Chilean territorial waters. (The system of straight baselines was developed by Norway to include its numerous fjords, bays, and islands within its territorial waters. Basically the system consists of a number of straight lines drawn between points on the mainland and islands to include within a nation's territorial waters open stretches of water that would, under the standard measurement of three nautical miles from the coastline, be international water.) According to the Office of the Geographer, United States Department of State, the procedure employed by Chile meets the standards established in the 1958 Convention of the Territorial Sea and Contiguous Zone, although Chile is not a party to the convention. The Chileans specifically excluded the Strait of Magellan, the free passage of which is guaranteed by an 1881 international treaty. As of early 1982 the United States had neither recognized nor rejected Chile's claim.

Other Territories

Chile claims a wedge-shaped section of Antarctica that is also claimed in part by Argentina and Britain (see fig. 5). Chile owns Easter Island (Isla de Pascua), the Islas Juan Fernández, and several other small Pacific islands. Easter Island, also known by its

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Polynesian name of Rapa Nui, lies about 4,200 kilometers due west from the port of Caldera; Isla Sala y Gómez lies about 500 kilometers east of Easter Island. The Islas Juan Fernández, from 700 to 900 kilometers west of Valparaíso, are the locale of a small fishing settlement. They are famous for their lobsters and for the fact that Alexander Selkirk, who was marooned on the island that now bears his name, was the inspiration for the novel *Robinson Crusoe*.

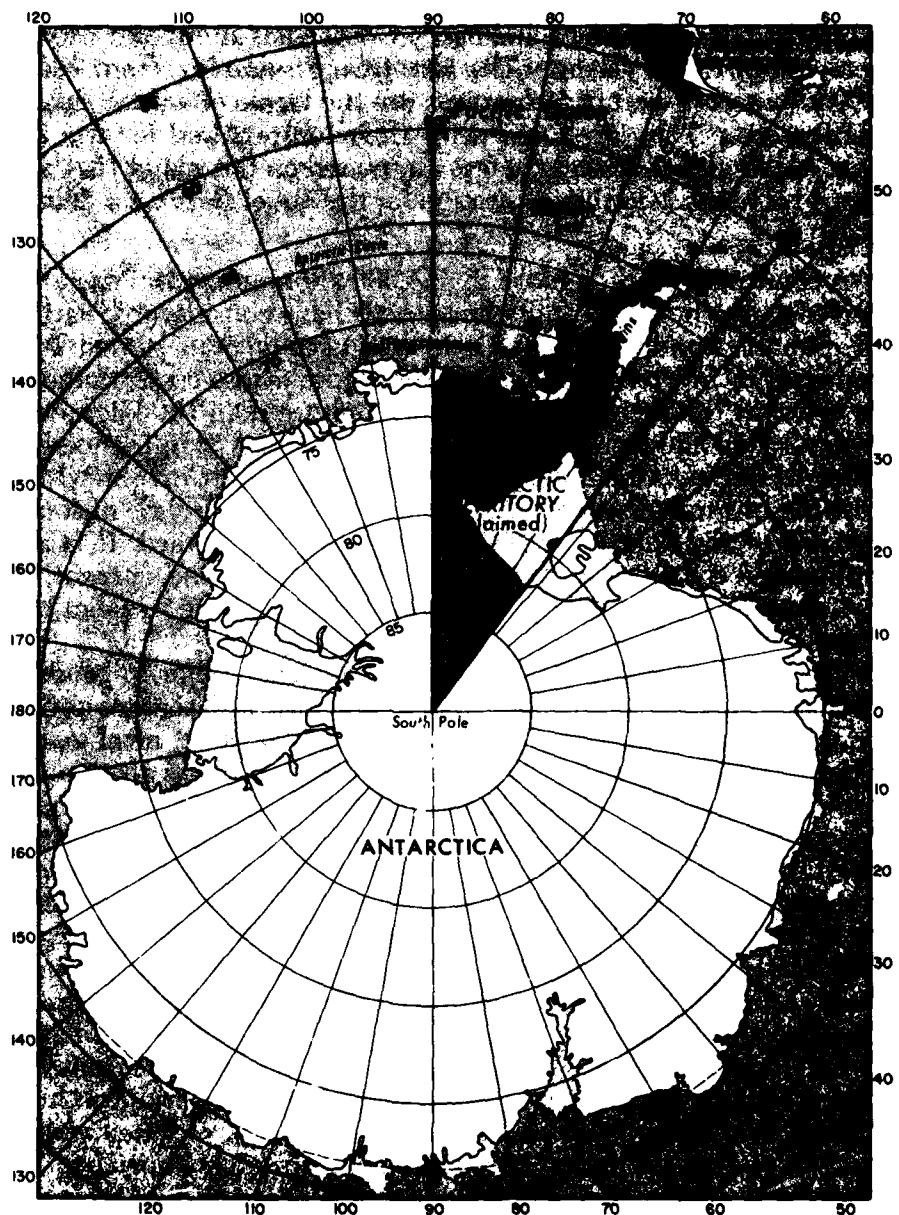
Climate

A country extending more than 4,000 kilometers from its northern to its southern extremity necessarily has a considerable variety of climatic conditions. In Chile this variety is increased by a topography in which the Andean cordillera, whose crests range up to nearly 6,700 meters, is seldom much more than 160 kilometers distant from the coastline. In addition weather is influenced by the Antarctic waters of the Humboldt (or Peru) Current which, flowing in a northeasterly direction, meets the shoreline of southern Chile and thereafter follows the coast northward. It is also influenced by streams of cold air accompanying the current, by warm air moving in from the southwest, and by the Andean barrier.

The cold and warm air masses act upon each other to produce cyclonic weather south of the Río Bío Bío during all seasons and, in winter, to bring moisture to the remainder of the central valley. The Andes play a secondary part by forcing the warm air to move upward and release its moisture. At all latitudes the ocean has a moderating effect on temperatures, particularly along the narrow coastal belt to the west of the coastal range. In general, average temperatures are moderate and decrease only slightly from north to south. Rainfall, however, increases from virtually nothing in portions of the desert in the north to well over 250 centimeters a year in parts of Archipelagic Chile. Except in the almost rainless stretches of the far north and in the far south where rainfall is evenly distributed throughout the year, most of the precipitation occurs during the winter. Because Chile lies in the Southern Hemisphere, its winters occur during the months of June through August and its summers from December through February.

In Arica, at the Peruvian border, the average annual temperature is 17°C. Although Arica is well within the southern tropics and the Tropic of Capricorn is over 600 kilometers to the south, the cool Humboldt Current so moderates the weather that temperatures are much lower in the Great North than those, for example, in corresponding latitudes in Mexico. Temperatures are lower; and rainfall, however scanty, is greater along the northern coast than in the desert interior, although occasional rains fall at 2,500 meters and higher in the Andes. The average humidity in the interior town of Calama is 48 percent, and in some portions of the Atacama Desert the coefficient of evaporation is greater than

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Source: Based on information from Chile, Instituto Geográfico Militar de Chile, *Mapa de Chile*, Santiago, 1977.

Figure 5. Chile's Claims in Antarctica

that in the Sahara. In coastal Iquique, on the other hand, the average humidity is 81 percent, and a weather phenomenon of the northern coast is a heavy winter mist known as the *camanchaca*.

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In the Little North the average annual temperatures—14°C in La Serena—are considerably lower, but the rainfall remains extremely scanty, most of it falling in winter. Still farther to the south the temperatures remain much the same as those in the Little North and, although rainfall is somewhat heavier, irrigation of crops is necessary. Santiago has an average annual temperature of 14°C and an annual rainfall of about thirty-six centimeters. There is usually some rainfall each month, but most of it occurs between May and August. January's average temperature of about 20°C is the warmest of the year, and July's 10°C is the coldest. Summer heat is seldom unduly oppressive, and freezing temperatures are almost unheard of; winter humidity is high, however, and nights and nearly all mornings are chilly. Valparaíso has approximately the same climate although, as a coastal city, its temperatures are slightly higher and its rainfall slightly heavier.

Average temperatures remain about the same southward to the Río Bío Bío, but rainfall increases, reaching about 124 centimeters at Concepción. In the forestlands, still farther to the south, average temperatures are progressively slightly lower and the rainfall much heavier. In Valdivia the average temperature is 11.5°C and the rainfall about 250 centimeters. It is about the same on Isla de Chiloé, which is almost perpetually shrouded in mists, a circumstance that encouraged the popular belief that Chiloé is an island of disembodied spirits.

In sparsely populated Archipelagic Chile temperatures are somewhat lower, rainfall continues at over 250 centimeters a year, and winds of gale intensity blow the year round. In Chilean Patagonia, however, rainfall drops to fifty centimeters annually at Punta Arenas, and the average annual temperature is 6°C. In that area in Tierra del Fuego the moderating effect of both the Atlantic and the Pacific oceans is such that the temperature seldom falls below -6°C, although gale winds are common. There is extraordinarily little seasonal range in temperature.

Population

The Chilean government and various foreign agencies and organizations estimated the population at about 11.3 million in 1981. As many as 1 million Chileans reside abroad and are not included in the 11.3 million figure. The vast majority of those residing abroad had chosen to leave the country for economic reasons. Many were professionals. In 1976, for example, an association of professional engineers reported that over one-quarter of its members were working outside the country. Data presented by the World Bank (see Glossary) in 1980—in *Chile: An Economy in Transition* by Fred D. Levy, et al.—suggested a significant decline in the number of medical personnel in Chile during the 1970s, indicating considerable emigration by those professionals. Over 500,000 of the Chileans living abroad were in Argentina. A much

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smaller, though significant, number of Chileans abroad were identified as political exiles or refugees.

The population is young. In 1979 approximately one-third of the people were under the age of fifteen and about 54 percent under the age of twenty-five (see fig. 6). Only about 15 percent exceeded fifty years of age. Despite the young age of the population, the annual rate of increase in 1981 was only about 1.4 percent, one of the lowest rates in South America. In 1960 the crude birthrate was about thirty-seven per 1,000 persons; during the 1968-73 period the rate was about twenty-eight per 1,000, but by 1979 the rate had dropped to 21.5 per 1,000.

In 1965, during the presidency of Eduardo Frei Montalva, the government launched and financed family planning programs through the National Health Service (Servicio Nacional de Salud—SNS). By the late 1970s the service reportedly rendered family planning services to about 70 percent of the women of childbearing age. Officials of the service asserted that before the government had begun to make contraceptives and birth control information available, the society had had a high incidence of abortion. Nevertheless in 1979 individuals and organizations affiliated with the government launched a "back to maternity" campaign. In April 1979 the National Planning Office released a document calling for a "significant increase in population" and suggesting that for national security reasons the population should be about 20 million.

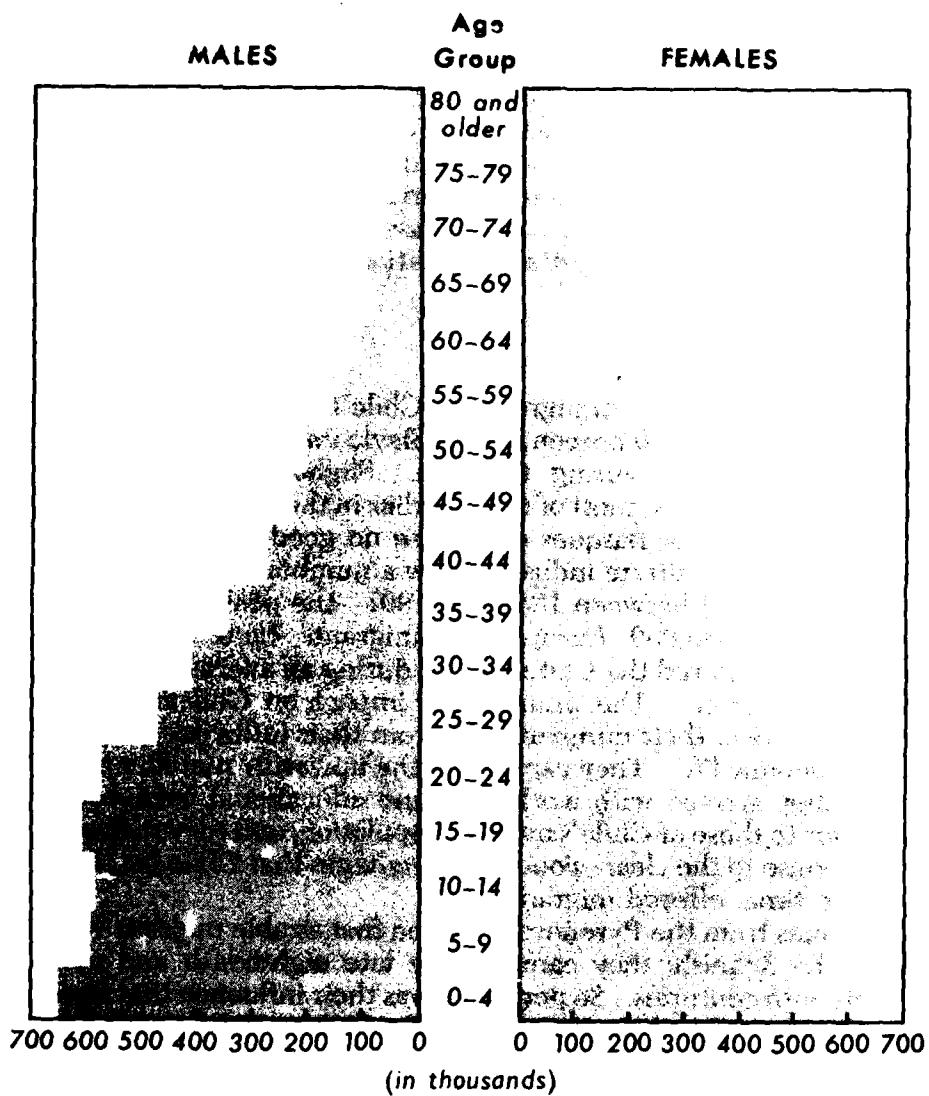
Chile has long been heavily urbanized, and migration to towns and cities continued through the 1960s and 1970s. In 1960 an estimated 68 percent of the population lived in urban areas. By 1980 the figure had increased to 81 percent. Approximately one-third of the people lived in Santiago and its suburbs and satellite towns, meaning that large sections of the country were very sparsely settled (see table 2, Appendix A).

Ethnic Groups

Mestizos

Mestizos—an intermixture of Spanish and Amerindians—are the principal ethnic group in Chile. Descendants of European immigrants form a numerically inconsequential (if socially significant) part of Chilean society. Freed and enslaved Africans, the former as soldiers and craftsmen, the latter as miners, came in small numbers early in the colonial period. They figured less prominently in Chile than elsewhere in the Americas where plantation agriculture was important. Slave or free, Africans fared better than Amerindians. Resistant to Old World diseases and representing a costly investment for their owners, Africans survived while the indigenous population—especially in Chile—was

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Source: Based on information from Chile, Instituto Nacional de Estadísticas, *Compendio Estadístico, 1981*, Santiago, 1981, p. 68.

Figure 6. Population by Age and Sex, 1981

rapidly decimated and/or interbred with their Spanish conquerors (see Amerindian Population, this ch.).

Mestizos were a major element in colonial society by the end of the seventeenth century. They covered the social spectrum—mestizos were the heirs of the original encomienda holders as well as modest artisans or hacienda overseers. Similarly today mestizos make up the vast majority of the rural and urban working class but can be found at every level of society.

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The lack of a large, culturally distinct indigenous population forms the very basis of Chilean society, especially rural society. It is less a conquest culture—a blending of Amerindian and Hispanic elements—than a culture of conquerors. Long a frontier outpost of the Spanish Empire, Chilean society is, like Argentina, oriented toward Hispanic-European values and ethos. Elsewhere in Spanish America the mestizo occupies a privileged position relative to the Indian masses. This is not the case in Chile where the vast, largely homogeneous mestizo population forms the base of the social pyramid.

European Immigration

Some 25,000 Slavs immigrated to Chile in the late nineteenth century—perhaps 10 percent of the Slavic immigrants who came to South America during that era. Slightly more Germans entered the country, most of them earlier in the century. A much smaller number of Basques (there are no good estimates) came earlier. Chile's nitrate industry drew a number of British immigrants. All told between 1883 and 1901—the peak of European immigration—36,000 European immigrants came to Chile—fewer than entered the United States during an average month in the same period. The immigrants' impact on Chilean society came *less from their numbers than from their influence on social and economic life*. They came from the upwardly mobile middle class; they arrived with work skills and educational background superior to those of Chile's mestizo population; and they migrated in response to the clear economic advantages that Chile has, from time to time, offered migrants.

Basques from the Pyrenees were the first sizable migrant wave after the Spanish; they came in the late eighteenth and early nineteenth centuries. So pervasive was their influence that Spanish novelist Miguel de Unamuno calls Chile a Basque creation. They became merchants, entered trading houses, and bought up the recently expropriated Jesuit lands (see Conquest and Colonization, 1535–1800, ch. 1). Within two to three generations they were a well-integrated part of the old criollo elite and a mainstay of Chilean economic and social life. They set a pattern for assimilating the newly wealthy into elite society that has persisted over the centuries.

Basques were followed by English, Irish, and Scottish immigrants involved in mining and finance. The pattern of upward mobility and integration into the upper social echelons remained the same: make money, marry a Chilean woman from a middle to upper middle-class family, send your children to the better schools, buy land, have your children (or grandchildren) marry into the older elite families. The English had a lasting impact on the socioeconomic systems of Iquique (the nitrate industry), Val-

paraíso (trading and commerce), and the southern Magallanes region (sheep raising). In Valparaíso they so predominated that one North American traveler was prompted to comment that it was as if the city's social ranks were filled with characters from a Jane Austen novel.

Chile's immigration policy in the second half of the nineteenth century was aimed at peopling the region south of the Río Bío Bío. The republic, like Spain, had conceded the south to its indigenous inhabitants, the Mapuche. By the 1840s and 1850s Chile's ruling elite had come to feel, in the words of Argentine political theorist Juan Bautista Alberdi, that "to govern is to populate." Legislation in 1845 provided for recruiting European immigrants. Northern Europeans were felt to be better adapted to the damp, densely forested south and racially superior to the Chilean lower class. The initial insistence that immigrants be Catholics was dropped (when few Catholic immigrants materialized), and a 1871 constitutional amendment gave Chileans freedom of religion. Colonists received sizable land grants to the disregard of both Chilean and Mapuche small landholders. By 1907 the German immigrants were concentrated in the south-central region.

Southern Slavs (primarily Croatians) came to Chile during the Tierra del Fuego gold rush (ca. 1885-1902). Although the wealth that gold generated proved ephemeral, some Slavs stayed in the south and became successful fishermen, seal hunters, merchants, shipbuilders and, to a lesser extent, sheep raisers. Most left for managerial positions in the northern nitrate fields and copper mines. They are now an urban population well represented in fishing, commerce, the professions, and government service. As a group they have maintained their cultural identity through the formation of mutual aid societies and clubs. As elsewhere the traditional rivalries between the various Slavic groups diminished in the rising tide of Pan-Slavic nationalism. Their distinctly minority status in Chilean society too gave impetus to Serbian, Croatian, and Montenegrin cooperation.

Middle Easterners (principally Lebanese) replaced Europeans as the main immigrants in the twentieth century. The excess of immigration over emigration has always been small. As Europeans entered Chile to seek new opportunities, Chileans also left their homeland for Argentina, Peru, and Panama. Because of the emigration of as many as 1 million people during the turmoil of the 1970s, what had been an excess became a deficit.

Amerindian Population

Chile's indigenous population, unlike that of the central Andean civilizations, was sparse and dispersed. Atacameño and Diaguita inhabited the northern desert and steppe, Mapuche the central valley and southern forest, and Ona and Yahgan the rocky southern coast and Tierra del Fuego. As is the case with contemporary

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Chile the central valley offered a more beneficent environment than either the northern desert or the southern archipelago. Julian H. Steward and Louis C. Faron estimate a population density of 0.15 inhabitant per square kilometer among the Atacameño and Diaguita, little more than half that among the Ona and Yahgan. Both are a striking contrast with the Inca Empire (3.86 persons per square kilometer) and the central valley (2.7 persons per square kilometer).

The Atacameño eked a minimal subsistence along the northern coast by fishing, hunting marine mammals, and gathering shellfish. Inland desert oases offered broader scope for agriculture but still permitted only small, dispersed settlements. Immediately to the south the Diaguita practiced terrace agriculture. Both herded llama as a source of meat, hides, textiles, and beasts of burden. Archeological evidence (the main source of knowledge) shows both groups linked with each other and the Peruvian Indians to the north through extensive trade networks and endemic warfare. Settlements were fortified, and material culture reveals an elaborate arsenal of weaponry.

Beginning in the fifteenth century the Inca expanded into the area, though their hold on the territory was always tenuous, and their effective occupation never extended south of the Río Maule. Spanish intrusions revolutionized warfare. The Diaguita and the Mapuche, in particular, offered concerted resistance. Both adopted firearms and horses to supplement the traditional bow and arrow and stone maces. The Diaguita were defeated after a brief but bitter period of hostilities. The victorious Spanish sent many to the Peruvian mines and resettled others in the vicinity of the Río de La Plata. Mapuche resistance persisted to the late nineteenth century.

The southern archipelago was even less hospitable than the northern desert. A dense rain forest and perennial cold prohibited agriculture. Overland travel, except for the prairielike regions of northern and central Tierra del Fuego, was difficult at best. Ethnographer Martin Gusinde could aptly call the Yahgan "canoe nomads." Yahgan women dived in the frigid waters for shellfish while men hunted sea mammals and marine birds. Children scavenged for mollusks. Settlements were impermanent and, given the limited and easily overexploited marine environment, comprised only two or three nuclear families. Families foraged throughout the year, moving as shellfish beds became depleted. Material culture was simple; bark canoes and poorly tanned hides were the principal items. Fire was transported from camp to camp on clay hearths in canoes. The custom reputedly gave the region its name as Spanish sailors seeing fires burning close to shore christened the island Tierra del Fuego (land of fire).

At the time of European contact the Ona inhabited all of Tierra del Fuego except for the southern coast. They were hunters and



*The Trans-Andean Highway, east of Santiago,
illustrates the spectacular terrain.
Courtesy Inter-American Development Bank*

gatherers dependent primarily on guanaco and tuco-tuco (a small rodent). Animal protein dwarfed the role of wild plant food in the indigenous diet, although dried fungi supplemented jerky as a hedge against poor hunting. Families related through the male line shared a common hunting territory.

Atacameño, Diaguita, Ona, and Yahgan alike fared badly with European contact. The Ona, holding over 30,000 square kilometers of valuable sheep-raising land, were exterminated with an abandon rare even at the height of European expansion. The 1960 census recorded fewer than 100 Yahgan-related people in Magallanes Province. In the northern regions Aymara, Quechua (both groups presumably migrants during the nineteenth century from Bolivia and Peru), and Atacameño numbered some 21,500 persons. In addition the Office of Indian Affairs lists approximately 1,500 individuals on Easter Island as indigenous people.

Mapuche means "people of the land." Spanish chroniclers and ethnographers termed all the culturally and linguistically similar peoples of central Chile "the Araucanians." The indigenous terms most commonly seen in Spanish—Picunche, Mapuche, and Huilliche—are geographical distinctions referring respectively to people of the north, people of the land, and people of the south. Currently all Araucanians call themselves Mapuche. They apply geographical distinctions to Mapuche of regions other than their

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own, i.e., coastal Indians call themselves Mapuche while inlanders call them Lafquenche (people of the coast).

From the mid-sixteenth century until 1883 the Mapuche (or Araucanians) waged an effective and, for the Spanish, exceedingly costly guerrilla war. This resistance—unparalleled in the Americas—is the more striking given the apparent lack of organized warfare among the Araucanians in the pre-Columbian era. The Picunche (Araucanians living to the north of the Río Bío Bío) were, despite one early revolt, readily subjugated, brought into the encomienda system, and rapidly hispanicized (see Conquest and Colonization, 1535–1800, ch. 1). The Mapuche and the Huilliche to the south, like the Plains Indians of North America, adopted horses and became a highly mobile cavalry force. Theirs was not a style of warfare the Spanish found attractive. Spanish soldiers complained of the Araucanians' mobility and penchant for ambush over pitched battles. One chagrined soldier wrote that "one can wander for a year and find nothing but an old woman if they don't want to fight, because the terrain is so difficult and they so free moving and we so overburdened with supplies, cattle, and attendants that our movements have no effect. And every day they steal our horses." The Spanish eventually reached a modus vivendi with the Araucanians limiting their contacts to occasional slave raids and a ritual feast between Araucanian chieftains and each new Spanish governor. The Río Bío Bío remained Chile's effective southern border throughout the colonial era and the first half-century of the republic.

By the mid-nineteenth century individual Chileans and immigrants had begun settling in Mapuche territory in significant numbers (see European Immigration, this ch.). The military began a concerted campaign against the Mapuche in 1859. An 1866 law governing the sale of public lands provided reservations for the Mapuche. Increasing encroachment by colonists brought a vigorous and militant response from the Indians. Their last campaign took advantage of Chile's preoccupation with Peru and Bolivia in the War of the Pacific (1879–83). The return of Chilean troops to Araucanian territory and a major offensive in 1883 spelled the defeat of the Mapuche. The fall of their stronghold near Villarica marked the end of more than three centuries of resistance.

All Mapuche distinguish themselves from outsiders, whom they call *huincas*. *Huincas* hold land, which is Mapuche land, at the Indians' expense. *Huincas* are wealthy. One Mapuche, noting the poverty of a nearby Chilean farmer, commented that he (the farmer) was "almost a Mapuche"—a remark that may imply a more general positive assessment of this Mapuche's neighbor's character but nonetheless highlights a central tenet in Mapuche beliefs about themselves in Chilean society: Mapuche are hospitable and supportive of each other in need; *huincas* are not particularly generous even to other *huincas*.



*Mapuche woman
near Puerto Saavedra
Courtesy PROCHILE*

Language is a strong focus of Mapuche identification. Unlike the central Andes (Ecuador and Peru) where a significant portion of mestizos speak Indian languages, relatively few Chileans speak Araucanian. Many if not most Mapuche speak Spanish. One anthropologist describes a conversation with a group of Mapuche in a market conducted in Spanish for his benefit. A stranger who joined the group wasn't permitted to participate until he demonstrated his ability to speak Araucanian.

It should come as no surprise that those who call themselves "people of the land" and who defended their patrimony as tenaciously as did the Mapuche regard land as the center of their ethnic identity—their cultural as well as economic survival. Land is at the center of the Indians' relation to the larger society. Mapuche view themselves as the original owners of all the region's lands. Chileans, by extension, have stolen whatever land they have from the rightful owners, the Mapuche. It is an assessment of the situation conditioned by nearly a century of disadvantageous dealings with the national government and Chilean land-holders.

Legislation governing reservation land has rarely been favorable to the Indians. Initial efforts to regulate landholdings in the region gave Indians titles (*titulos de merced*) to reservation land. Both the laws' provisions and their haphazard implementation worked to the detriment of the Mapuche. Mapuche could receive title to lands they had farmed continuously for one year.

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Long fallowing was essential to Mapuche agriculture and soil recuperation. Land regulations led to the alienation of large amounts of land simply because it was not in cultivation when surveyed. Registration itself was inadequately carried out. Mapuche were left without title to their land and were, as a result, even more vulnerable to the voracious land appetite of Chilean settlers.

The *titulos de merced* did not, however, give the Mapuche secure access to land. Reservations were given to small, kin-based groups. They were dispersed among large landholdings, and each reservation was thus subject to the predations of the surrounding latifundios. Indians were defrauded of countless hectares of land. The politically savvy and powerful won concessions of large tracts of Mapuche land. Even when Indians contested such practices in the courts, the results seemed less to resolve land titles than to enrich lawyers and the infamous *tintorillos* (scribes). The chaos surrounding landholding in the frontier region can scarcely be overstated. A 1929 government study found 47,000 properties (covering 20 million hectares) held under clouded land titles in the south.

Even strict adherence to the law would have aided the Mapuche but little. Legislation placed few strictures on the sale of reservation land; its thrust has been—as it continued to be in 1982—to “assimilate” the Mapuche.

The statistics on landholding give a fair summary of the relationship of the Mapuche to the national society. During the nearly half-century when reservation land was awarded (1884 to 1929), Mapuche received less than 500,000 hectares of the nearly 10 million hectares they held before the Chilean conquest. Chilean and immigrant settlers received nearly 9 million hectares. The settler's average holding was 500 hectares, the Mapuche's 6.1 hectares. A 1961 law that permitted Indians to sue for lands taken from them illegally had little impact. From 1961 to 1971 the Mapuche regained slightly less than 1,500 hectares.

The Inter-American Committee for Agricultural Development's pioneering study of Latin American land tenure in the 1960s paints a bleak picture of the Mapuche *reducciones* (settlements or reservations). Population growth had reduced the person-to-land ratio in the bottom 40 percent of the reservation population to 1.2 hectares per person. So extreme was soil depletion that less than one-fourth of reservation land could be planted at all. Limited access to both credit and improved technological inputs, the perennial bane of the Chilean small farmer, limited production yet further (see Agrarian Reform, ch. 3). Nearly half of all families worked a total of 203 days a year on their holdings (although many families included more than two adults). Agricultural production generated a family income equivalent to US\$88 a year, including the monetary equivalent of their subsistence production.

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One measure of Mapuche poverty, extreme even in terms of the Chilean countryside, continues to be infant mortality. In the 1970s over half of all Mapuche infants died within their first year of life.

Clearly not all Mapuche were able to subsist on reservation land. Many supplemented their agricultural production with the traditional alternatives of the *minifundista* (small landowner); periodic wage labor and sharecropping for large landowners. In addition a network of economic cooperation and mutual assistance binds Mapuche families together and spreads limited resources a bit further. Anthropologist Milan Stuchlik describes Mapuche economic activity as "life on a half share." Mapuche share oxen, farm each other's land (splitting the harvest), and engage in various cooperative labor arrangements. Extreme pressure on the land base has forced many to migrate; by the early 1970s nearly 25 percent of all Mapuche lived in cities (mainly Santiago, Concepción, and Temuco).

Straitened economic circumstances and the highly politicized atmosphere of the early 1970s during the government of Allende had their impact on the Mapuche. In *toma* (land seizure) after *toma* Indians took disputed lands, setting their own timetable for agrarian reform. Local, regional, and national organizations of Mapuche proliferated; cooperatives formed; Mapuche demanded more secure access to credit, more land, and greater educational opportunities. Leftist organizers were active in the Mapuche provinces of the frontier region. A 1972 law, drafted in consultation with Mapuche, improved the Indians' legal status. The legislation reaffirmed their right to land in Mapuche territory held illegally by Chileans. It revamped the administrative apparatus relating to indigenous affairs, giving Mapuche greater representation. Most important, land sales required the consent of an absolute majority of a reservation's inhabitants.

Neither the politically active Mapuche interest groups nor the 1972 law found favor with the military junta that seized power in the 1973 coup. In March 1979 the government headed by Army General Augusto Pinochet Ugarte repealed the 1972 legislation and decreed a new law governing Mapuche lands. The decree does not intend, in the words of Minister of Agriculture Alfonso Marquez de la Plata Irarrázaval, "to intervene in the customs, in the habits, and in the culture of the Mapuche people..." The law calls for the end of collective landownership and gives Mapuche on reservations individual titles to their land; thereupon the holdings "will no longer be considered indigenous lands." Many Mapuche objected vigorously to the decree, having learned over the past century that those holding title to small land parcels are not a particularly advantaged group and that poverty will lead them to sell to neighboring large landowners. Bishops Sergio Contreras of Temuco and Sixto Parzinger of La Araucanía Region

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protested on their behalf as did Mapuche living in exile. The opposition had little effect.

Social Stratification

Chilean society is diverse, heterogeneous, and distinctly pyramidal. Three strata—a small elite, a sizable middle class, and a disparate lower class—show wide differences in values, life-styles and, most significantly, wealth. The question of income distribution is a highly volatile issue in Chile. The few studies conducted on the subject suggest that income distribution improved during the early 1970s, then deteriorated under the military government and the severe recession of 1975 and 1976. Data on the late 1970s were sketchy and controversial: government supporters tended to argue that increased real incomes and public expenditures on social services improved distribution after 1976; opponents generally argue that ongoing high unemployment and concentration in industrial and financial markets caused income distribution to become further skewed during the late 1970s. Regardless, vertical mobility remained, as always, elusive in 1982. Traditional means of upward mobility—education and politics—had been restricted, although new means had been opened—especially in commerce, finance, and certain service industries, as a result of the economic expansion of the late 1970s.

Diversity takes on a highly specified pattern within the social hierarchy. Ethnic diversity increases as one climbs the social scale. The upper income groups include descendants of the small waves of European immigrants who came in the nineteenth and early twentieth centuries (see European Immigration, this ch.). The lower income groups are—with the exception of the Mapuche Indians—overwhelmingly mestizo (see Mestizos, this ch.). The sources of the elite's wealth are varied, but most of its members possess nicely diversified assets. A certain economic homogeneity combines with ethnic plurality.

The pattern is reversed in the vast mestizo population, whose means of sustenance are so varied as to defy ready characterization. Mestizos are everything from truck drivers to college professors to landless wage laborers. As a group they share few economic interests. Their heritage is Hispanic: no well-defined Amerindian culture provides a focus of loyalty distinct from the dominant culture.

The Elite

Having weathered the socialist perils of the presidency of Allende, the elite entered the 1980s firmly in control of the country's patrimony. A 1980 study by Levy, et al., for the World Bank, by and large favorably disposed toward Chile's economic transformation of the late 1970s, was critical of the "negative implications of

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the trend toward asset concentration." "Although corroborating data are lacking," the study asserts "it appears certain that the ownership of industrial assets and agricultural land has become more highly concentrated since their return to the private sector after 1973." Other students of the Chilean elite have supplied startling data: by the late 1970s more than 50 percent of the capital of Chile's 200 largest private corporations—assets valued at US\$1 billion—were in the hands of two financial groups. The top five financial conglomerates controlled 80 percent of all private capital. Conglomerates concentrated their industrial investments in large-scale enterprises: less than 2 percent of all industrial firms accounted for half of all private capital. Likewise, in commerce little more than 1 percent of all firms controlled nearly one-third the market. The concentration in landownership of the prereform era, when 730 estates held half of all Chile's arable land, was not recreated. Still, by 1980 about 30 percent of expropriated land had been returned to previous owners; 1,512 estates went in their entirety to their former owners. Although these were not huge estates, excessive concentration in agricultural credit and finance, if not actual landholding, remained a distinct possibility (see *Agrarian Reform*, ch. 3).

Chileans have dubbed the means whereby the contemporary oligarchy exercises its financial hegemony simply "the groups" (*los grupos*). Generally based in banks (one of the largest is the Bank of Santiago), the concept, if not the present form, of the groups predates Allende. They are financial conglomerates holding varied interests in commerce, industry, and banking. The Bank of Santiago, for example, is involved in insurance, lumber, wine bottling, fishing, mining, the tourist trade, and the media.

Proponents of the groups argue that they do not represent a concentration in wealth and resources at all but are conglomerates of thousands of small investors reaping their share of Chile's "economic miracle." Nevertheless, available analysis shows most groups to revolve around one or two elite families. They are embedded in the same extended kinship networks that have long characterized the elite's hold on wealth.

The groups' associates, at times, shunt back and forth between the private sector and high-ranking government positions. For example, the minister of finance from 1974 to 1976, Jorge Cauas Lama, was a designer of the 1975 financial "shock treatment" (see *Growth and Structure of the Economy*, ch. 3). He eventually left government to become president of the Bank of Chile—taking over from Marquez de la Plata, who left to assume his duties as minister of agriculture.

Members of the elite have long been accustomed to diversifying their sources of wealth. Even during the colonial era the Spanish aristocracy in what would later be the Republic of Chile were merchants as well as encomenderos, though in deference to public

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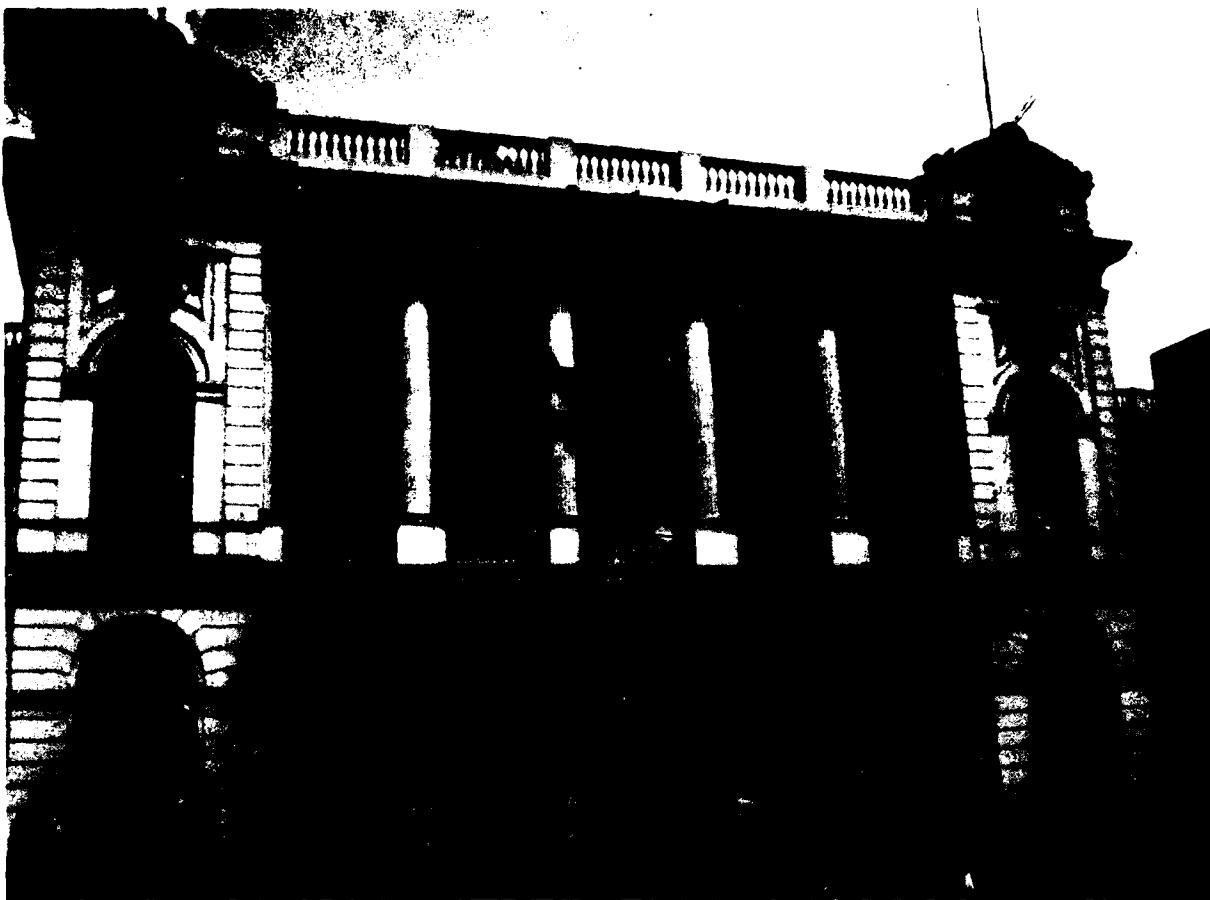
sensibilities about the propriety of a noble's involvement in commerce, such ventures were pursued under the names of less socially esteemed partners (see Conquest and Colonization, 1535-1800, ch. 1).

Part and parcel of the elite's success has been its members' willingness to accept the financially successful immigrant. The elite has evolved over time, both in its ethnic composition and in its wealth. The Castilian-Basque aristocracy of the eighteenth century accepted and coopted the British, German and, to varying lesser degrees, Italian, Slavic, Levantine, and Jewish entrepreneurial immigrants. At the same time the wherewithal for the elite style of living, so long reliant primarily on agricultural income, expanded to include business, mining, finance, and industry.

Both the social trajectory whereby the immigrant indisputably joined the elite ranks as well as the organization of elite wealth bore a definite pattern. Kinship was the basis of both. According to past precedent social climbing remains a three-generation affair in Chile. The pattern varies by era and region and by the family's social background and financial means. Typically the first-generation, successful immigrant married a woman of good, though probably not elite, status. Toward the end of his career he bought land. The second generation expanded the family's holding, adding mines to a Santiago trading house and/or agricultural holdings—or any combination of these alternatives. Marriage alliances with elite families assured the clan's status in this generation. The third generation reinforced the family's marriage alliances and added public office to the kin group's financial assets. Economically the tendency was for these extended kin groups to become, in the words of one observer, "something like a corporation."

The elite's flexible and extensive kinship networks along with its equally extensive and diversified financial holdings do much to explain its persistence. Kinship serves as an effective gatekeeper—allowing limited social mobility for the financially successful and socially ambitious but assuring that those who enter conform to elite ideals. Marriage alliances reinforce the boundaries separating the elite from the *hoi polloi*.

Diversified financial interests account for the elite's ability to weather such adversities as Allende's land reform and expropriations. Some aspects of elite wealth may be threatened, but there are usually alternative investments. The elite is adept at never putting all its financial eggs in one basket. Landowners such as those who drove their cattle across the Andes to Argentina in the months before Allende took office, and the woman from southern Chile who rode her horse to Santiago to protest that Allende, in expropriating her estate, had reduced her to penury, were clearly not among the elite. By whatever means the members of the elite



Municipal Theater, Santiago
Courtesy Veronica Stoddart/Americas

protected their wealth from 1970 to 1973, it is clear that they did so effectively. When the junta auctioned off the companies expropriated under Allende, the elite had the ready capital, whether from domestic savings or from foreign borrowing, to buy them at bargain prices. Similarly, they were able to make tremendous profits lending in the tight money market of the mid-1970s (see *Banking, Monetary, and Fiscal Policy*, ch. 3).

Although much less so than previously, agriculture—or, more appropriately, rural landowning—still plays an important role in the elite life-style. The pattern was well established by the early colonial era: the aristocracy had a principal house in Santiago, horticultural plots on the city's outskirts (*chacras*), and a large ranch in the hinterland. *Chacras* have dropped out of the picture, but a rural estate remains an essential part of elite status. Although their estate's income was welcome to landowners, most considered agriculture a secondary interest at best. The estate, within easy distance of Santiago, was in historian Arnold J. Bauer's words "a delightful place for summer vacations, a place for a honeymoon, a showplace for visitors, a place where business and political companions can be entertained and impressed." Some landlords made substantial investments; many of the central region's irrigation works were financed with mining money. Most

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were content with less return on their investment; it was sufficient that the lessee should pay the rent on time and maintain a well-ordered work force of obedient servants for the owner's periodic visits. The income from the booming nitrate trade and from the burgeoning industrial sector was dissipated in the purchase of rural estates and the highly esteemed elite mode of living. Chile's wealth, in one commentator's words, "simply ran out onto the sands of a traditional countryside."

The estates themselves persisted beyond the mismanagement or neglect of their elite owners. Four haciendas in a small valley north of Santiago, for example, remained intact through three centuries of inheritance and land sales (from the mid-seventeenth century to the 1960s). Even where estates were formally subdivided, they were usually worked intact and the income subdivided among the family's various branches. The rural estate was akin to the elite itself: owners changed, but the estate persisted. So too did family fortunes and prominence wax or wane by generations, but hierarchical social relations persisted. The elite remained at the pinnacle of the social scale as a privileged, self-perpetuating minority group with substantial control over economic resources.

The Middle Class

Long known as a progressive, expanding segment of Chilean society, the middle class during the last 100 years has experienced dramatic changes in fortune. Until the end of the nineteenth century the middle class was a small, dependent element sandwiched between a vast, impoverished, largely rural and agricultural lower class (who were disdained) and a minute, aristocratic elite (whose values and life-style were imitated slavishly). The society's middle class gave new meaning to the concept of social climbing. A writer of the 1860s coined the disparaging term *síuticos*, which remained an enduring epithet for the socially ambitious middle-class immigrant making his way through the ranks of society. *Síuticos* represented, in short, the deprived (relatively) and dependent (nearly absolutely) middle level of the social order. They comprised the professions, the better retail merchants, and small-scale entrepreneurial and industrial groups. They were far more likely to be European immigrants than upwardly mobile Chileans of several generations. The middle class was a boundary critical in society: that between *gente decente* (the respectable) for whom social mobility was a possibility—howbeit limited—and *el pueblo* or *gente de color* (the masses), whose chances for upward mobility were virtually nil.

Nitrate and subsequently copper provided the public revenues for an astronomical expansion of the state apparatus and the nucleus of a modern, industrial labor force. The expanding public sector gave the middle class employment and, to a lesser degree, political influence. The labor force was a critical element in the

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alliances between the middle class and the working class that so altered politics in the twentieth century (see *The Beginning of the Modern Era, 1920-32*, ch. 1).

Commerce, the service sector, public administration, and industry became bastions of middle-class employment. The middle-class ranks expanded until the early 1970s; in 1970, for example, over one-third of the economically active population was considered middle class. Like the lower class it was economically fragmented, including everyone from small businessmen to foremen, relatively small landowners, technicians, and state employees. After the 1950s the salaried middle class came to predominate over the self-employed. At the same time, differences in income between lower and middle-class workers declined. Educational opportunities expanded; sons and daughters of urban-industrial workers entered middle-class occupations in increasing numbers.

By midcentury the middle class was politically active, diverse, and highly organized. Perhaps because of the marked influence of European immigrants, a "rich associational life" counterbalanced the pronounced family orientation of Chilean society. By the end of the nineteenth century associations and mutual aid societies had cropped up in almost every segment of society. The National Agricultural Society represented landowners. Slavic mutual aid and cultural societies dotted the mining region and Tierra del Fuego. Examples could be multiplied. Associations were active in the increasingly politicized 1960s and early 1970s (see *The Lower Class*, this ch.). *Gremios* (corporative interest groups) of middle and upper middle-class occupational groups were vociferous in their opposition to many of Allende's policies and supportive of military intervention. The junta's policies have alienated a substantial portion of the *gremio* support they had earlier (see *Political Actors, 1982*, ch. 4).

The 1970s altered the situation of the middle class dramatically. Military rule jeopardized the complex system of political brokerage that had given middle-class parties such pervasive influence at every level of government, and the junta's economic policies resulted, initially at least, in significant hardships for much of the middle class. Removing subsidies on food, electricity, gasoline, and credit hurt middle-income families. The 1975 "shock treatment" meant the collapse of many small businesses; tariff policies undermined many industries, but the small-scale manufacturing enterprises of the middle and upper middle class were especially hard hit. The salaried middle class suffered from a general rise in unemployment and the military regime's restrictive wage policies. The regime's efforts to cut government spending and, in general, decrease the scope of government resulted in a marked decline in public sector employment between 1973 and 1981.

The post-1976 economic recovery led to new opportunities,

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particularly in commerce, for those of the middle class who successfully adapted to the new "rules of the economic game." These gains were jeopardized in mid-1982, however, by a year-old recession that was accompanied by rising unemployment and a renewed rash of bankruptcies.

The Lower Class

Adversity is certainly not a novel experience for lower class Chileans; the past century, almost in its entirety, has been one of struggle and upheaval for them. Political and economic gains, when they came, were hard won; and the electoral successes of the 1960s and early 1970s were often counterbalanced by an increasingly tenuous economic situation.

Overwhelmingly mestizo, the lower class matched this ethnic homogeneity with extreme economic fragmentation. The lower end of the work force was even more diverse than the middle class. It included urban laborers, agricultural wage earners, skilled unionized workers, small farmers, sharecroppers, copper and coal miners, industrial and crafts workers, public and private employees, and the self-employed (infrequently) as well as the wage earner. No socioeconomic schema can do adequate justice to the plethora of strategies people at the lower end of the social order adopt to gain their livelihood.

The Urban Sector

In an economy characterized by chronically high unemployment, economic stratification is defined first and foremost by employment itself. Limited employment opportunities have long been the rule in Chile. During the late 1960s some estimates put urban unemployment and underemployment as high as 30 percent of the economically active population. Calculating employment statistics, particularly outside Greater Santiago, remains an inexact art in Chile (see *Labor Force*, ch. 3). Nonetheless a number of trends are clear. Official unemployment rates from 1975 to mid-1982 ranged from 20 percent in 1975 to 10 percent in 1980 and nearly 20 percent again in early 1982—percentages well in excess of those of the 1960s. Unemployment figures did not include the 100,000 to 200,000 workers in the government's Minimum Employment Program (*Programa del Empleo Minimo*—PEM), and these workers represented about 5 percent of the labor force after 1976. Outside observers estimated that a more accurate measurement of Chilean unemployment, including PEM workers as unemployed, would place the early 1982 figure at nearly 25 percent in Greater Santiago and slightly lower outside the metropolitan region of the capital city.

However one may argue about the exact figures, open unemployment of anything like this magnitude has an impact on the lives of employed and unemployed alike that is, simply put, inestimable. Just to have steady, if poorly remunerated, work at a

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time when many make do with odd jobs and the food dole is something of a coup. The efforts of unionized workers to maintain their rights and gain a living wage, the struggles of low-income families to stay together and support one another, and the myriad, makeshift strategems the poor have found to make a living at all should be understood in the context of an economy where many lack a steady income and even more an adequate one.

Within the lower class, unionized industrial and mining workers were something of an elite. The emergence of a strong union movement coincided with the evolution of the nitrate industry after the War of the Pacific (see Parliamentary Government, 1891-1919, ch. 1). The manual, nonagricultural labor force increased by 50 percent between 1880 and 1890. The work force was centered in the northern mining provinces (Antofagasta and Tarapacá), but nitrate generated a corresponding rise in shipping and transport work (Valparaíso) and was intimately linked to a growing industrial labor force (Santiago).

Conditions in the mines were little short of wretched; they sparked protest upon protest and strike after strike. Each was rapidly, often bloodily, repressed. Chile's tradition of political non-violence was interrupted by the violent suppression of unrest in the nonvoting lower orders. There were at least twenty major confrontations between workers and state forces in the twentieth century. Between 1900 and 1970 approximately 5,000 workers were shot by the police or army; about half of these occurred during the strike by nitrate workers in Iquique in 1907.

Unionization proceeded despite efforts of government and employers to assure a more tractable labor force. By the late 1960s about 70 percent of all firms with twenty-five or more employees were organized; 60 percent of mining and 40 percent of industry were unionized. Unions were concentrated in large-scale establishments—firms that could afford to accede to union demands for higher pay. The differences in wages and benefits between union and nonunion labor were substantial. By 1970 unions represented nearly 750,000 votes, and the competition for those votes among parties of the center and left was intense. Although they were linked with political parties, unions were hardly in their firm control. Labor unions in the late 1960s to early 1970s were highly politicized, active, organized, effective, and increasingly militant in their demands.

The Pinochet regime formally suspended union elections and other trade union rights from 1973 to 1979. Faced with increasing criticism from labor leaders in 1977 and 1978, the government opted for another approach to labor relations. A new labor plan was enacted in a 1979 series of decree-laws. They respond to the most serious demands of international and Chilean unions, such as the rights to elect officers, to bargain collectively with employers, and to strike. Nonetheless the regulations governing collective

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bargaining are considerably more restrictive than those found in the United States and the nations of Western Europe. The law stipulates that those whose work affects the country's health or provisioning, the national economy, or security may not strike and must submit instead to arbitration. Those workers who are permitted to strike do so with considerable risks. At any time during a strike 10 percent of the workers can vote on an employer's offer. Any single worker may pull out of a strike and negotiate directly with an employer. After thirty days an employer can lock workers out and hire extra workers as he deems necessary. After sixty days workers "voluntarily" renounce their jobs. The government implemented its labor plan in the face of union and church opposition (see Political Actors, 1982, ch. 4). The decrees nevertheless resulted in an increase in union activity on both the local and the national levels.

Most workers—as much as 75 percent of the labor force—are not unionized. The percentage is even higher among women. It is possible that more women joined the work force during the 1970s because the problems of inflation, economic recession, and unemployment placed a premium on fielding every possible wage earner within a family. As a whole, women faced significant handicaps in an already glutted job market. The vast majority (approximately 70 percent) entered fields of traditional female employment, primarily in domestic service where nearly half of all working women were employed. Chilean labor codes have offered no protection to those in domestic service. In the past, few domestics received social security benefits, although under a new plan implemented during the early 1980s, domestic employees were free to contribute to a fund that would make them eligible for a guaranteed pension.

The unemployed possess few options. The government extended unemployment benefits to include blue-as well as white-collar workers. Those who lose their jobs receive 50 to 75 percent of their wages for a year—a benefit whose value is undermined by the increasing average length of a spell of unemployment, up from one to three months in the 1950s and 1960s to two to four years in the late 1970s.

Faced with massive unemployment in 1975 the government instituted the PEM (see Labor Force, ch. 3). In March, PEM'S first month, nearly 20,000 workers subscribed; by December of that year the rolls had grown to over 187,000 workers. From 1976 through 1981 between 100,000 and 200,000 workers per month were enrolled in the PEM program—4 to 6 percent of the total labor force. After a 1980 change in the program's regulation that allowed more than one family member to participate, the number of participants jumped dramatically to around 200,000 in October 1980. Participation subsequently dropped to about 170,000 a year later.

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PEM beneficiaries work full time and receive a minimal wage—the equivalent of US\$36 per month, about one-fifth the minimum wage in 1981. PEM workers may also receive food subsidies from private and foreign government agencies.

Many former wage earners are now self-employed—a term that masks substantial underemployment. A small fraction of these are formally affiliated with *autogestionnes* (worker-run enterprises). Such involvement on the part of workers is less an ideological commitment to cooperative endeavor than an often last-ditch effort to save their jobs. Beginning in the 1964-70 presidency of Frei, workers bought firms that owners had decided to sell or that had gone bankrupt. These were typically the most marginal enterprises, particularly as the 1975 economic "shock treatment" had its effect and drove numerous small businesses into bankruptcy. Workers chose cooperatives as the only alternative to certain, prolonged unemployment. Those enterprises faced the same rigorous constraints as other small to mid-sized firms (see *The Middle Class*, this ch.). Many failed. Many of those that survived relied on the Roman Catholic Church and, to a lesser extent, on government agencies for credit and technical assistance. More frequently, *autogestión* enterprises existed because their worker-owners put in long hours for low pay. Their main competition came not from large firms but, often enough, from individual artisans who produced the same items as *autogestionnes*. Some, like ARDYGAS, a firm that manufactures space heaters and a small gas stove, were notably successful, paid wages comparable to the private sector, and gave benefits reminiscent of those that workers had received during the Allende regime. One of the largest, with 450 members, was COMARCHI, an association of lower class women who made sweaters for the domestic and export markets. They prospered because they created a highly efficient purchasing and marketing organization, learned to adapt to changing fashions, and managed to exploit the lucrative export market.

If many *autogestión* workers faced low wages and an uncertain future, most low-income self-employed workers were far more marginal. They made do with odd jobs that ran the gamut from gardening to small-scale messenger or delivery services, painting, plumbing, and repair work. This aspect of lower class economic life expanded during the 1970s, although such work was neither long term, dependable, nor—given the market—particularly well paid.

Lower class Chileans have, then, adapted to new and ever-changing economic conditions through a wide variety of strategies. Both kinship and the great number of associations integral to Chilean social life aid in this process. Families that have managed to stay together have become cohesive social groups. They have expanded, taking in married children and forming a bulwark

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against economic adversity by the simple expedient of increasing the number of potential income earners. Neighborhood associations (*juntas*), social clubs, and parish churches have persisted and carry on a host of mutual aid activities for their members. Reciprocal arrangements and exchanges between neighbors have multiplied.

The Rural Sector

If the post-1960 upheavals transformed society as a whole, an extensive land reform literally remade rural society. The huge haciendas of central Chile—often comprising tens of thousands of hectares and held intact until the 1960s—have given way to mid-sized, modernized holdings and the “reformed sector” (the holdings created by the land reform) (see *Agrarian Reform*, ch. 3). Along with the demise of haciendas (or *fundos*, from *latifundio*, or large holding) has gone the society that revolved around them. *Peón* and *patrón* have given way to a new group of agronomist-managers, owners (often absentee), and small farmers (in the reformed sector).

These changes can only be understood in the context of the hacienda's near-absolute preeminence well into the twentieth century. Large estates dominated rural society to an extent that—even in Spanish America—is hard to envision. In 1917 it was reported that 216 estates held 40 percent of the land in the fertile central region. In a very real sense the *fundo* was rural society. Each represented a self-contained system with its own store (invariably), church (often), and school (infrequently). Relations between the landlord and his resident labor force (*inquilinos*) were ideally paternalistic. The sense of inhabiting a common social sphere, of the shared experience of *fundo* rodeos and fiestas, did much to ease the obvious inequality underlying social life. It is difficult, after half a century of rural agitation and unrest, to imagine the depth of the commitment of the *inquilino* to and identification with the *fundo*. In the 1854 census many *inquilinos* listed the name of their hacienda in the space for nationality.

No other focus of loyalty was imaginable. There were (with the exception of the Mapuche reservations in the south) no autonomous Indian communities dotting the rural landscape. *Minifundistas* were scattered around the periphery of large estates in a condition that hardly made theirs an enviable alternative to hacienda life. In comparison with the masses of vagrants who wandered about in search of occasional employment, the lot of the *inquilino* was indeed privileged. He was, in the words of historian Bauer, “the cream of rural labor.”

But then, until the 1870s, little enough was asked of the *inquilino* beyond loyalty and proper obeisance. Through the

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middle of the nineteenth century it had been possible for an enterprising *inquilino* to amass a substantial herd of livestock. The typical tenancy agreement gave the *inquilino* a garden plot, pasture rights, and a daily food ration in addition to land to be share-cropped. The privileged position of the *inquilino* depended on his relationship to the *patrón*. Agreements were verbal, their terms largely the landowner's; disputes were settled by the *patrón*. A tenant could be evicted without notice and, when evicted, would lose not only the most secure employment around but also his home and standing crops as well.

World demand for wheat gave landlords an incentive for greater production and gradually eroded the perquisites of the *inquilino*. *Inquilinos* had to furnish two to three extra workers (*peones-obligados*) where, before, one had sufficed. Women in *inquilino* families contributed more labor to the hacienda. The wheat market also spawned a plethora of subsidiary labor arrangements—each less favored than the last and all inferior to the standard *inquilino* agreement. The hacienda's resident labor might include some workers who received a portion of the benefits accruing to the *inquilino* but were required to have all adults in the household work. Others might receive only a garden plot, still others a smaller garden plot and a minimal wage; others might live with an *inquilino* family and get a daily wage as the hacienda required their services.

The hacienda labor force was a stratified, fragmented one where relative privilege and status depended wholly on the *patrón*. If this did not suffice to stifle unrest, there was always *el pueblo bajo* (literally, the low people)—the mass of seasonal laborers. Their sheer numbers and the general wretchedness of their condition did much to limit agitation among the resident labor force. They were a constant reminder of what eviction from a hacienda—no matter how miserable the housing, how callous the *patrón*, how limited the benefits one enjoyed within the *fundo* hierarchy—would mean.

The waves of unionization that swept the cities and mines spilled over into the countryside but with surprisingly little far-reaching effect. Landlords were careful not to hire anyone returning from the mining regions. Marxists and Catholics alike tried to organize peasants but with only limited success until the 1950s. Catholic efforts succeeded only in alienating landowners (see Religion, this ch.). The response of a Conservative deputy (and landlord) to a petition presented on behalf of hacienda workers by a priest was typical. The deputy suggested the good father might "leave the determination of the workers' salary to God and the conscience of the *patrón*."

Unfortunately most landowners had consciences that were easily satisfied as far as hacienda working conditions went. Conditions on haciendas continued to deteriorate. Landholders

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steadfastly refused to comply with even the existing legislation that might benefit rural workers. Strikes, in the rare instances they occurred, were ruthlessly suppressed. The attitude of government varied from neglect of the rural populace to near enthusiasm for enforcing the will of the landholding class. For example, in the late 1930s Arturo Olaverriá, minister of interior in Carlos Ibáñez del Campo's Popular Front government, perfected a technique for settling strikes that was dubbed, aptly enough, "the final judgment." Carabineros (national police) would order those who wished to continue the strike to stand to the left and everyone else to the right. Those on the left were summarily evicted. "I didn't have to use the final judgment many times..." was Olaverriá's disingenuous commentary on the level of rural unrest.

That a minister in a government in theory favorable to workers should use such tactics is revealing. Rural unionization was hamstrung not merely by the predictable opposition of landowners. Everyone from Marxists to Catholics to social thinkers of every political persuasion called for the reform of the inefficient agricultural sector. But time and again urban-based political parties were willing to sacrifice rural laborers in the interest of an alliance with the landed that guaranteed low food prices in the cities in return for respecting the prerogatives of landholders.

The situation did not change substantively until a 1958 electoral reform law instituted the Australian ballot and limited hacienda owners' control of rural votes. The competition for rural lower class votes undermined the traditional alliance between landowners and city dwellers. At the same time, the long-delayed unionization of rural workers took off. Legislation in 1967 legalized rural unions. Membership grew from 1,600 in 1964 to 127,000 by mid-1970—itself a measure of discontent in the countryside.

By this time, too, rural unions had much to complain about. The rural populace remained economically fragmented, but virtually all sectors had lost ground since the turn of the century. *Inquilinos* had been gradually eliminated in favor of wage laborers and sharecroppers. The coup de grace was a 1953 law requiring payment of wages in cash. By 1965 *inquilinos* represented only 6 percent of rural labor. Realizing they could count on quiescent workers no longer, landowners limited their reliance on wage labor (17 percent of the agricultural labor force in 1955—the figure also includes administrative personnel). Haciendas made increasing use of outside (*afuerino*), seasonal labor. Landless laborers also suffered as population growth, the slowly expanding nonagricultural labor force, and the competition of small landholders for seasonal employment cut into whatever gains the landless might have realized. All told, the rural lower class was a diverse segment of society with small farmers, landless laborers, hacienda resident laborers, and sharecroppers all struggling to

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maintain their hold on increasingly insecure employment.

Calls for land reform struck a responsive chord in such a situation. Frei, implementing and extending legislation drafted during the previous administration, promised to create 100,000 new land-owners (see *Agrarian Reform*, ch. 3). As his term in office drew to an end, 1,400 estates had been expropriated, benefiting perhaps 25,000 farm families. The agrarian legislation provided that a hacienda's resident labor force (a declining portion of the total agricultural labor force) had priority in land claims. They were to farm the estate cooperatively for a transitional period after which they had a choice between continuing cooperative production or dividing the estate into individual plots. The rate of expropriations nearly doubled under the Allende regime—in 1971 expropriations equaled those of the previous six years. Fifty percent of all agricultural land and 60 percent of all irrigated land had been expropriated by mid-1973.

The pace was never fast enough to satisfy the rural populace, and land seizures increased dramatically despite Allende's pleas that peasants wait for due process to grant them land. In the south especially, relations between hacienda owners, small land-holders, resident laborers, and reservation Indians were often little short of open warfare. One *fundo* exchanged hands five times before it was finally legally expropriated.

If land reform was a revolutionary force in Chilean society, it was also a divisive one. Fifteen percent of the agricultural labor force, resident laborers on haciendas, actually received land. As the reform progressed, the beneficiaries rapidly came into conflict with those left untouched—approximately 182,000 *minifundistas* and 350,000 landless laborers. The Allende government's attempts to spread the spoils a little further met with stout resistance on the part of the beneficiaries. In fact, reformed-sector peasants proved a most unreliable source of political or economic support for the regime. They consistently preferred cultivating their private plots and garnering high profits on the black market to cooperative production and selling through government marketing channels, mostly because of the low prices set by government officials. Small farmers were vulnerable to rightist claims that Allende intended to expropriate even small family holdings and make them cooperatives. Reform beneficiaries were equally incensed at suggestions that their private plots might be cooperatively farmed.

The military regime altered agrarian reform in a number of critical ways. They returned 30 percent of the expropriated land to the previous owners. In contrast with the Frei and Allende regimes' preference for cooperatively run farms, the junta promised to grant individual land titles. By 1980 over 50,000 beneficiaries had received title to their holdings. The assignment of land titles was the subject of hot debate. The nearly 10,000 families

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living on land returned to former owners had few options. As had always been true, political criteria played a role in deciding who got land. Decree-Law 208 (December 19, 1973) disqualifies anyone "who has occupied a rural property or encouraged others to make such an occupation..." (As might be imagined, this decree-law had a less than positive impact on the solidarity of farmers in the reformed sector.)

The law changed the reformed sector in one more critical respect: recipients of land no longer had to be peasants. The extent to which those who were not agricultural laborers received plots is unclear. Estimates of nonpeasants receiving land run as high as 15 percent of the total titles given. One observer found a cooperative enterprise near Talca that had been divided into eleven plots, six of which went to nonlaborers (a gas station owner, a baker, the former estate administrator, and three of his relatives). The estate was one of several in the area where a substantial number of plots had gone to someone other than the rural poor.

The government attempted to subdivide the estates so that each plot would support a family adequately. Critics debate this, arguing that without easy access to credit and technical advice many beneficiaries have scant opportunity for holding their land for long. The more critical argue that the junta has done nothing more than create a new generation of sharecroppers, holding leases on land they have—under economic duress—sold to former hacienda owners.

Whatever the ultimate fate of the reformed sector, a number of things seemed clear. The Frei, Allende, and military regimes, in dismantling the huge estates, had profoundly altered rural society. The axis on which so much had turned, the hacienda and its subservient, differentiated labor force, is no longer a part of the landscape. In its place is the mid-sized landholding, an enterprise the junta hopes will revitalize the agricultural sector. It is—at least in the central valley—a highly capitalized enterprise with limited use for a sizable labor force. For the vast majority of the rural population little has changed. The sweeping changes of the 1970s had little impact on the *minifundistas* or the landless laborers except to limit their opportunities for employment.

Migration and Urbanization

To speak of migration and urbanization in Chile is first and foremost to speak of Greater Santiago. More than three of every four migrants have the capital as their destination. Conversely, nearly one-third of the city's population are migrants. In 1982 over 80 percent of all Chileans lived in cities, and nearly 75 percent of all urban-dwellers lived in Santiago. Significant unemployment and severely limited urban housing in the 1970s did not

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significantly alter these trends. During the 1970s Chile's urban population grew at a rate only slightly less (less than a percentage point) than during the 1960s. Urbanization remained concentrated in Greater Santiago—where by 1982 about 44 percent of all Chileans lived (see Population, this ch.).

That about one-third of all Chileans lived in or near the capital is an index of how concentrated goods and services are. Santiago is the overwhelming choice of migrants because however meager the opportunities that the city offers the rural migrant, they are greater than those of the countryside. Despite the efforts of several governments to decentralize industry and services, investment in such amenities as housing, electricity, gas and water, education, health, and transport all remain heavily concentrated in Santiago. In 1970 the city accounted for nearly half the goods and services produced in Chile—a percentage in excess of Santiago's portion of the population.

The capital's preeminence is hardly new. Santiago's primacy was well established in the colonial era (see Conquest and Colonization, 1535-1800, ch. 1). Every landowner who could maintained a home in Santiago—not to do so was viewed not merely as an eccentric commitment to the bucolic pleasures of rural life but as a failure, financial or otherwise, to support a properly elite life-style (see The Elite, this ch.). But Santiago in the early nineteenth century offered little in the way of comforts. The scarcity of lumber and the fear of earthquakes meant most houses were modest one-story dwellings; modest was too generous a description for one traveler who described the western approach to the city as "wretched hovels inhabited by a slovenly and unwashed population ..." Only the churches offered a more imposing aspect, and they dominated the landscape.

The elite took care to see that new wealth in merchanting and mining served their—and hence the city's—best interests. Even transportation benefited Santiago's administrative-bureaucratic hegemony. Roads and bridges linked it with the hinterland. All major railroad lines were routed through Santiago—even though Concepción-Talcahuano had the best natural port. Santiago was linked to the central valley before a feeder line to Valparaíso was built—an approach to railroad construction that meant that all matériel had to be hauled overland by ox cart. Nitrate revenues too, when they came, benefited Santiago. They provided the wherewithal for expansion of the state bureaucracy and a plethora of public works within the city.

By the twentieth century the character of Santiago migration had begun to change. Sons and daughters of impoverished landless laborers and small farmers in search of almost any employment supplanted the elite and middle-class offspring, entering the professions and the growing state bureaucracy. Young women, drawn by the promise of employment in the burgeoning service

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sector, were disproportionately represented among the Santiago migrants, just as young men went to the nitrate fields in search of work. By 1930 Santiago was 54 percent female, while in some rural provinces there were twice as many males as females between the ages of twenty and twenty-nine.

By the late 1960s a fairly clear portrait of the Santiago migrant had emerged. The typical migrant was a woman (156 female for every 100 male migrants) who came to Santiago from a city or town in central Chile (over half came from urban centers of over 10,000 inhabitants, over 89 percent from central Chile). The average migrant was better educated than most Chileans (92 percent of all migrants had some formal education versus 80 percent for the total populace). Both male and female migrants typically arrived in Santiago when they were young; both experienced unemployment rates—at least until the late 1960s—lower than most Chileans. Most migrants are long-term residents (surveys typically report more than half of all migrants have lived in Santiago at least ten years). In general a greater percentage of migrants hold jobs than native Santiagueños (inhabitants of Santiago), and this was dramatically true for women (particularly between the ages of fifteen and twenty-four, when over half of all migrants and only 30 percent of natives held jobs). Although a substantial portion (half) of the migrants come to the city alone, nearly all (84 percent) have friends or relatives already living in Santiago to help them.

The century-long transformation of a country more than 80 percent rural to one where over 80 percent of the population is urban was hardly accomplished without a few shocks to society. The Greater Santiago region has been profoundly altered. The elite moved from the city's center early in the twentieth century to the northwest suburbs (barrios) in search of a better climate and a more controlled contact with rural immigrants who were flooding the city.

For the migrants themselves, however improved their employment opportunities, housing proved a persistent problem. This was true also for the authorities, who were faced with a mushrooming population, scant provision for low-income housing, and limited services. As with most Latin American cities in the post-World War II era the first efforts to confront these problems came from the migrants themselves. They began moving out of slum tenements and seizing unoccupied land. Makeshift communities sprang up so quickly in or near Santiago that local inhabitants dubbed them *callampas* (mushrooms). The regime of Jorge Alessandri Rodríguez was by turns indifferent or repressive to the shantytowns. Throughout the 1950s (a decade when the urban population increased by nearly 6 percent per annum) and the

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early 1960s settlers received little assistance from government in meeting critical housing needs.

The Frei government developed a variety of housing programs. In theory these were to serve the needs of low-income city dwellers. There were a plethora of mortgage programs; state corporations were formed to buy land and build houses. Nonetheless only 3 percent of total housing investment went to low-income housing; new households in poverty consistently outstripped new housing. Government efforts foundered in large part because of the sheer magnitude of the problem. They failed, as well, because of a marked disparity between middle-class bureaucrats' notion of "decent housing" and "good investments" and the poor's overwhelming preoccupation with simply a house of any sort and a piece of land. ("It would be very difficult for us to pay such an amount," wrote one community organization asking for "low cost" government housing, "regardless of how decent the house is.")

Land seizures increased under Allende, but the organization of government involvement in low-income housing remained fundamentally the same. Allende emphasized alternative housing construction strategies, i.e., workers' brigades, initially increased the poor's income, made credit more accessible, and appeared to have increased services to *poblaciones* (housing settlements). His efforts to limit Santiago's urban sprawl were notably unsuccessful. His attempts to undermine "classist segregation" ran up against the stout determination of the well-to-do not to live near the poor.

The Pinochet regime's policies on low-income housing appeared generally consistent with its emphases on limiting the role of the public sector. The efforts met with limited success, and Chile's housing shortage remained acute in 1982. The deficit in 1976 was estimated at 600,000 units; five years later, at 800,000 units. The goals of the National Housing Plan, which aimed at building 900,000 units by 1990, were considered optimistic. In 1980, a record year, 50,000 new housing units were constructed.

In 1978 the Ministry of Housing and Urbanization began a reorganization of public sector housing programs. Prior to that time, public agencies had constructed some 60 percent of the nation's housing units. The emphasis of the new programs was away from the direct provision of public housing, but rather on the provision of subsidies to low-income families to enable them to purchase homes from private developers. By 1982 public housing starts had virtually ceased.

Although the new program was criticized as being out of the financial reach of the very poor, another program begun in 1975 provided about 5,000 homes annually to this sector. At the same time, the government tried to regularize land titles, streamline the procedures for transferring titles and mortgages, and readjust past mortgage debt to keep pace with inflation. All of these pol-

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icies caused considerable uncertainty among families who had received housing sites (*sitios*) during the Frei or Allende period.

The ultimate impact of these policies on low-income housing in general and the settlers of the *poblaciones* in particular remains to be seen. The severe housing shortage, particularly for low-income families, manifested itself in two protests, in mid-1980 and again in early 1981, when hundreds of homeless people took refuge in Santiago churches to demonstrate their plight.

Poblaciones were hard hit by unemployment, and PEM covered only a portion of those without jobs (see The Lower Class, this ch.). A large percentage of households were without a regular source of income. Settlers responded with the ingenuity and resilience that the poor usually manage under straitened economic circumstances. Limited employment opportunities spawned a profusion of small-scale, low-capital, easy-entry and, unfortunately, usually low-income businesses in *poblaciones*. Hawkers, retailers, repairmen, and seamstresses replaced industrial wage earners.

Religion

Ten to 15 percent of all Chileans are Protestants, one of the highest rates in predominantly Roman Catholic Latin America. Most Chilean Protestants are concentrated in urban-industrial areas (mainly Santiago and Concepción). There is a core of Anglicans and Lutherans—descendants of European immigrants who came to Chile in the nineteenth century. Both are strongly tied to British and German ethnic enclaves (see European Immigration, this ch.). Neither group proselytizes significantly in the larger society.

Most Protestant Chileans belong to fundamentalist sects. Chilean Methodism, founded by Juan Bautista in the nineteenth century, acquired a considerable working-class following when the sect became Pentecostal. Other fundamentalist and/or Pentecostal groups have made substantial inroads in the traditionally Roman Catholic urban working class since World War II.

The vast majority of Chileans are Roman Catholics, 85 to 90 percent the generally accepted estimate. The depth of the average Chilean's commitment to Roman Catholic values would be hard to overestimate. Chilean culture and society are imbued with Catholicism. There is a pervasively Catholic ethos that, until the mid-1970s at least, found little reflection in formal (or frequent) attendance at religious ceremonies.

If Catholicism is a common element in Chilean life, an integral part of the country's Hispanic heritage, and the basis of the Chilean world view, it is also a variable. The practice and the substance of belief alike reflect the cleavages of Chilean society. As elsewhere, Catholicism varies by social class. In the early 1970s as traditional an indicator of Roman Catholic religious devotion as



Many of Santiago's poor live in makeshift housing
Courtesy John Enders

regular weekly attendance at Mass varied by region and, more dramatically, by class. Attendance ranged from 12 to 25 percent in Santiago to approximately 10 percent in the northern and southern regions. More significantly, only an estimated 2 to 4 percent of the working class regularly attended Mass.

Both church organization and the limited number of clergy have traditionally restricted the contact lower class Chileans have had with formal religious instruction. Religious practice has traditionally been a matter of participating in the major rites of passage: Catholics were baptized, married, and buried in the church, and few expected to see a priest at any other time. Under these circumstances doctrinal orthodoxy was limited to the minute portion of the faithful of middle or upper class status. Popular religious beliefs favored a fatalistic resignation in the face of life's misfortunes; poverty (or wealth) was destiny, and the best one could do was to be reconciled to fate. Such an attitude was certainly not based on superstition: it reflected, no doubt, an accurate assessment on the part of the lower class Chilean of his or her chances for upward mobility. Particularly in the countryside the forces of authority and tradition held sway. Hacienda owners relied on the clergy (who staffed chapels that they, the owners, endowed) to emphasize the virtues of obedience and submission to their flock, the hacienda labor force. (During the nitrate and copper booms as well as when Peruvian and Chilean railroads

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were under construction, hacienda owners requested local priests to preach about the evil effects labor migration had on family life.) Religious devotion was largely personalistic and animatistic, i.e., based on an individual's relation to specific saints or objects believed to emanate spiritual power.

The church's relation to Chile's elite has been uneven. During the nineteenth century the relation of church and state was at the center of the Conservative-Liberal split (see *Independence*, ch. 1). The Catholic bishops accepted the formal, legal separation of church and state in the 1925 constitution (see *The Beginning of the Modern Era, 1920-32*, ch. 1). It was, in the hierarchy's view, inevitable if not unequivocally beneficial. The 1930s saw the beginnings of those trends that were to make Chile's hierarchy one of the most progressive in Latin America. The same trajectory of events was to alienate a significant portion of the church's most stalwart followers: the landed elite and the most conservative segments of the upper and upper middle class.

The impetus behind these trends was the social encyclicals of Pius XI and Leo XIII, which had a substantially greater impact on the Chilean Catholic Church than elsewhere in Latin America. Beginning in the 1930s generation after generation of young Catholics from elite and middle-class families were exposed—in the context of Catholic secondary schools and universities—to a set of values emphasizing social reform as a Christian duty. In particular a Jesuit priest, Alberto Hurtado Cruchaga, played a pivotal role in educating many of the politicians who achieved prominence in the 1950s and 1960s as well as Chile's progressive bishops (see "Revolution in Liberty," 1964-70, ch. 1).

The hierarchy's emphasis on reform and social action undermined the long-standing Catholic-Conservative alliance. Conservative Catholics found their bishops—if not openly in favor of family planning clinics—at least committed to an *entente cordiale* with medical personnel organizing birth control programs (see *Health and Social Services*, this ch.). A 1968 study found Chilean bishops notably progressive on a wide variety of social issues. Most considered civil marriage and divorce laws a matter for the courts; "none of our business in a plural society," was one bishop's assessment. Many were supportive of their clergy's growing involvement in work in the slums, but others bitterly opposed the priests who fostered housing cooperatives for the poor. Bishop Manuel Larraín of Talca implemented his own land reform program and transferred church lands in his diocese to the rural poor. Clergy became involved in credit and technical assistance for small farmers.

Catholic-Conservative relations deteriorated yet further during the 1960s. Pastoral after pastoral was greeted by praise from *El Siglo* (a communist newspaper of the era) and criticism from *El Mercurio* (of the right). A 1962 pastoral, while condemning Marx-

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ism, criticized land tenure, urban slums, unemployment, income distribution, malnutrition, and limited educational opportunities. By the late 1960s the bishops were willing to consider cooperation with Marxists on a variety of reforms. The 1968 pastoral "Chile, Will to Be" was vigorous in its condemnation of existing inequities. In words little calculated to assuage the elite's Catholic consciences or comfort their religious sensibilities, the bishops said failure to redress the social scales could lead to violence, which they deplored, but they asserted that "The degree of violence depends on the resistance that the privileged groups oppose to extending the benefits which today only they enjoy, since each usurped right is a form of violence which will engender reprisal." Clearly it was not an easy time for conservative Catholics.

Not even among Catholics committed to social reform was there unanimity. As the Frei government's reformist programs foundered and the impoverished Chilean's situation worsened in the late 1960s, many Catholic religious moved further and further to the left in their demands. Even relatively progressive bishops did not always support the more radical priests and nuns, and a small minority of conservative bishops found the situation abysmal. Polarization within the church—particularly between the leftist lower echelons and the relatively more conservative hierarchy—increased dramatically during the Allende period. The Roman Catholic Church—no longer the unchanging bastion of tradition—was part and parcel of the upheavals of the larger society.

Despite polarization within its ranks during the Allende period, the church's relationship to the Allende regime was correct, if not always cordial. The 1973 proposal for a unified educational system drew sharp criticism from the bishops (see Education, this ch.; The Allende Government, 1970-73, ch. 1). In general, however, the church remained critical of violence and supportive of democratic processes and social reform. So, too, the hierarchy's initial response to the military coup was moderate. The bishops felt that the takeover was preferable to continued chaos or civil war and called for reconciliation.

The first nine years of military rule involved a serious deterioration in the church's relations with the government. As the initial calls for moderation fell on deaf ears, as the Pinochet regime elaborated its economic policies, and as harassment of clergy and lay workers increased, the bishops' pastorals became more sharply critical of the Pinochet government (see Political Actors, 1982, ch. 4).

The hierarchy's continuing assistance to those adversely affected by the regime's policies—political or economic—and the junta's response to these efforts have profoundly altered the church's role in the society and the personnel and organization of the church itself. In general outlook the hierarchy remains much the same as it did in the late 1960s. By the early 1980s there

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remained a small group of conservative bishops relatively supportive of the regime in the midst of a majority that was becoming increasingly critical of the military government.

By 1982 conservative Catholics were increasingly estranged from the church hierarchy. The Society for Defense of Tradition, Property, and the Family, founded in the 1930s, became a prominent forum for the conservatives. It reflected the belief, strongly held among conservatives, that the church had abandoned the traditional ideals of the faith. If the church seemed an alien institution to many members of the upper and upper middle classes, their rapport with the military regime was substantial. They assumed significant positions in government, and in the shakeups of the Catholic universities they replaced more moderate administrators.

The split between radical clergy and the more conservative bishops has undergone a change since 1973, and this in turn has transformed parish organization. Clergy, of whatever political persuasion, have been critical in informing bishops about certain governmental activities. By virtue of their involvement in parish work priests have known about firings, arrests, disappearances, and the sheer impact on people's lives of military rule. At the same time the clergy were vulnerable to government reprisals. In 1973 nearly half of Chile's priests were foreigners. Further, the foreign-born clergy were more likely to be active in those areas inclined to draw government disapproval: parish work among the rural or urban poor. Substantial numbers of priests, mostly foreign born and generally leftist, fled Chile after the military takeover. A dramatic increase in the number of Chilean priests has, in part, offset this loss. Church organization as well has changed, relying more on deacons to carry on parish work. Women, mostly nuns, have become more prominent in work traditionally the domain of priests. By 1979 approximately 10 percent of all parishes were administered by women.

If the church has lost influence with many of the traditional faithful—the monied and the landed—it has gained adherents among those previously distant from organized religion: the lower and middle classes. The growing involvement of these groups reflects the church's efforts in defense of human rights and its wide-ranging social assistance programs. Church assistance began almost immediately after the coup with the formation of the Committee of Cooperation for Peace in Chile. In December 1975 Cardinal Raúl Silva Henríquez, under pressure from the government, disbanded the committee, but in January 1976 he formed a new organization to take its place: the Vicariate of Solidarity (see Introduction of Military Rule, ch. 1; Political Actors, 1982, ch. 4).

Both organizations have filed numerous writs of habeas corpus for those arrested by the regime and have organized worker-

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managed enterprises (see *The Lower Class*, this ch.). The Vicariate runs health clinics, provides a hot lunch program for nearly 30,000 Santiago children, has helped small farmers form cooperatives, and has provided financial assistance for independent radio stations, news publications, and research centers. In late 1980 the Vicariate circulated an instruction sheet suggesting what steps victims or witnesses of illegal arrests might take.

Health and Social Services

In 1982 the Pinochet regime was in the process of implementing an extensive reform of Chile's public health and social services. As with so many of the social policies of the military government, the reforms sought to eliminate subsidies and assistance to those who "can afford to pay" and expand assistance to the "truly poor." This is doubtless a laudable effort, and it reflects a clear understanding of some of the most regressive aspects of Chile's past social legislation. Nonetheless it is an endeavor fraught with difficulties. The "truly poor" remains a notably elusive target group, and many well-intentioned past efforts failed to reach them. Those "who can afford to pay" were not easier to identify. Critics wonder whether 1982—after a decade that has been less than beneficent for wage earners—was the time to radically alter programs that had often been the salvation of middle- and lower income groups.

There was little doubt, however, that a thorough revamping was in order. Prior to 1973 social services were an integral part of the clientism and patronage that infused local-level political activity in the country. Officeholders served their electorate as much by guiding individual petitions for social security benefits through a bureaucratic maze as by drafting legislation on the voters' behalf. The government subsidized most social services, which were available free to the majority of Chileans—implying a substantial subsidy for those in middle- and upper income brackets. Legislation itself favored those who were reasonably well off.

Family allowances were one example. In 1970, even after a decade during which benefits for blue-collar workers increased dramatically, the blue-collar worker's family allowances still averaged less than half those of white-collar employees. In the area of social security, workers participated in a variety of programs depending on their place of employment and kind of work; benefits were nontransferable. In 1980 financing the social security system continued to be so burdensome to employers that it was a disincentive to employment, to say nothing of a positive invitation to evade payroll taxes.

The government decreed that the family allowances of white- and blue-collar workers were to be equalized. But a much more far-reaching reform, announced in May 1981 and to be implemented over the next five years, radically altered the nation's

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social security system. Under the new plan, employers no longer contribute to the pension fund, while workers contribute 17 percent of their wages to one of several privately run "pension fund administrators" that, in turn, invest the money in securities. A worker must contribute for at least twenty years to be eligible for a pension, and the amount of the pension depends on the overall health of the economy, although the government guarantees a minimum of some US\$95 per month. Workers were given until 1986 to opt for either the old, government-administered plan or choose the new plan, but new entrants into the work force after 1982 would not have the old social security plan available to them.

Chile's long history of government involvement in health care dates from the labor legislation of the 1920s. In 1952 the various health programs were consolidated under the direction of the National Health Service (Servicio Nacional de Salud—SNS). SNS was to provide care for blue-collar workers covered by the social security system and indigents. By the 1960s there were clear problems. SNS doctors favored workers over indigents; the organization's budget did the same (one-sixth of the operating budget went to service the bottom 30 percent of the population). Indigents, facing a formidable and often indifferent health care bureaucracy, increasingly went without care or paid for private care. In the late 1960s about 40 percent of the poor's medical consultations were with private physicians. Despite these problems, SNS did allocate a major portion of its budget to the care of—if not the poorest of the poor—at least low-income groups.

Whatever the agency's limitations, its achievements in the 1960s and 1970s were notable. Overall mortality declined by 25 percent between 1964 and 1973—a trend that continued through 1978. Life expectancy rose by five years during the 1960s. The drop in infant mortality was even more striking. From 1964 through 1973 the rate dropped 36 percent, and it declined further from 1977 through 1979. In the early 1980s Chilean authorities pointed with pride to infant mortality statistics as evidence of social accomplishments under the military government.

These figures, of course, mask significant regional and economic differences. In 1965 and 1966 infant mortality in rural Arauco was more than twice that of Santiago. And the rate in poorer Santiago neighborhoods was over three times that of middle-income barrios. Physicians, dentists, and health personnel of every variety were concentrated in Santiago (in excess even of the region's tremendous population) and the other large urban centers.

Health care included one of the most effective birth control programs in Latin America. Family planning started in the 1960s. The realization of the extent to which Chilean women made use of illegal and unsafe abortions provided the impetus. At that time 40 percent of all maternal deaths were the result of complications

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from abortion; and one-quarter of all blood dispensed in Santiago hospitals went to treatment of abortion cases. An estimated one-third of all pregnancies ended in abortion. As family planning clinics spread throughout the country, the birthrate fell—25 percent between 1963 and 1970 alone (see Population, this ch.). The continued decline in the 1970s was probably as much the result of straitened economic circumstances as population policy. Nonetheless, so precipitous a decline brought criticism of SNS's family planning program. Officials from the National Planning Office called for an increased birthrate in the interest of national security. SNS officials rejected curtailing the clinics and suggested that such a policy, given Chile's current economic situation, would only mean a return to illegal and dangerous abortions for poor women.

The Pinochet regime also enacted major reforms of the system of public health. Whereas prior to 1980 the SNS provided free health care to about two-thirds of all Chileans (all members of the social security system plus indigents without access to another health plan), after that date SNS members had the option of seeking private health care, for which 50 percent of the charges (70 percent in the case of the very poor) would be reimbursed. The government argued that the new system would improve health services, while critics argued that those unable to opt for outside care would be left with a deteriorated system of public health care because of neglect and budget-cutting within SNS.

In 1980 the government also began to implement a complete reorganization of public health aimed at decentralizing both the administration and the delivery of services. The financing of the system was subsequently removed from the SNS and administered by the independent National Health Fund. The delivery of services, furthermore, was moved from centralized control in Santiago to twenty-seven independent units throughout the nation. Many health services, including hospitals, were scheduled to be transferred from central government to municipal government authority.

The government's earlier efforts at reform had been plagued by a number of problems. Financial and bureaucratic reorganization notwithstanding, there was a substantial decline in spending for public health care during the mid-1970s. The 1975-76 budget was, in real terms, less than 60 percent of the 1971-73 average. At the same time economic recession had increased demand for public health care, while the number of medical personnel had, in response to political upheaval and economic adversity, declined. Perhaps 15 percent of Chile's doctors emigrated during the 1970s. The problem within SNS was even more acute because hiring cutbacks and budgetary restrictions had limited personnel. As always the truly indigent had few options. The Catholic Church operated a number of health clinics, like SNS, aimed at caring for

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the poor. These were always swamped.

Toward the end of the decade, as economic conditions improved, government spending for public health increased significantly. While the new system of public health was being initiated between 1979 and 1981, expenditures were particularly high, but it was hoped that increased "privatization" would lead not only to better health care but also to reduced government expenditures in the future.

The Pinochet government placed considerable emphasis on nutrition programs, especially for infants and preschool children. Their efforts in milk distribution, both in developing an enriched milk formula and in reaching the "target population," were innovative. The regime chose to eliminate milk distribution for older children (aged six to fifteen years). The school lunch program, also aimed at that segment of the population, was less than successful.

For the approximately 7,000 youngsters suffering from severe malnutrition the Corporation for Infant Nutrition set up treatment centers throughout the country. The corporation, a private, nonprofit organization, receives both government and private funding. The centers provide critical treatment that overtaxed pediatric wards could rarely offer, such as intensive coordination and motor training for infants and counseling and assistance for their parents.

The government reports a major success in improving the nutritional status of children. Certainly the continued decline in infant mortality, as well as a more modest decline in childhood mortality, would support this claim. Critics, however, have raised a number of perplexing questions. Estimates of the number of seriously undernourished children have remained at their 1960s levels. Further, although SNS performed extensive studies of the general nutritional status of children, there were doubts about the sample's representativeness. Indigents—a group that accounts for a major portion of nutritional disorders—may have been underrepresented. A provocative re-study of SNS data conducted at the University of Chile in the late 1970s found significant distortions in the SNS classification of children by age and weight. Such misclassification led the SNS studies to underestimate the rate of malnutrition by 50 to 65 percent. Critics have also questioned the government's decision to eliminate milk distribution to older youngsters. A 1977 study found that caloric deficiencies among children began with weaning, increased steadily throughout childhood, and peaked in adolescence, when 67 percent of the population was undernourished.

Education

Education—and the related issues touching educational reform, literacy, universal primary education, and access to secondary and

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university schooling—have throughout this century aroused a particular passion in Chilean circles. Education has been intimately linked to the major social reforms of the twentieth century. Changes in education reflect the same sociopolitical upheaval as questions touching improved working conditions, better wages, unionization of labor, and land reform. Education is a key to the aspirations of lower and middle-class Chileans. Although the educational system is a stratified one, it has permitted some mobility—a carefully channeled stream of middle-class youngsters into public administration and a smaller and more recent trickle of the lower class upward.

The key to education for the elite has been the exclusive and very expensive private secondary schools. University education has traditionally been more critical to middle-class ambitions. Catholic universities have, by and large, been associated with the well-to-do, while state schools—especially the University of Chile—have been the gateway to public service and the professions for the middle and (less frequently) the lower classes.

Stratification has another dimension beyond the varying degrees of prestige that accrue to public and private schools. Educational resources are limited and are dispensed, in the phrase of one social scientist, according to a strict “queuing order.” The needs of upper class youngsters are dealt with first; those lower on the social scale take what is left over. Mobility within such a system is not only narrowly channeled, it is severely limited as well. In the 1960s a child from the upper class was nearly six times more likely than an urban lower class child to complete primary school and nearly four times as likely to complete secondary school. The disparity between city and countryside was likewise acute: a child of a rural laborer was only one-fifth as likely as his or her urban counterpart to finish secondary school.

From the late 1940s onward there were periodic efforts at educational reform—either to expand the system's reach or to improve its fit with changing sociocultural realities. Commissions were called, proposals were drafted, and bills were submitted to the legislature. All in all, not much actually changed. The Frei regime took a more pragmatic approach. Focusing its efforts on expanding primary and secondary schooling and limiting the dropout rate, the regime raised the length of compulsory education from six to eight years and expanded enrollments in the first twelve years of schooling to accept all applicants. At the same time the government tried to decentralize school administration and reduce the glaring inequities between urban and rural educational resources.

Efforts to decentralize the Ministry of Education ran awry of the vast Santiago bureaucracy and made little headway. In much else, however, there was notable progress. Educational enrollment expanded by 50 percent in the 1960s. The annual rate of

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increase in primary school was 9 percent—twice the rate of the preceding government (see President Jorge Alessandri, 1958–64, ch. 1). By 1970 nearly 95 percent of the population between the ages of seven and twelve years was in school, and the rate of literacy had risen from 84 to 90 percent of the total population. Secondary and university enrollments expanded as well, 6 and 14 percent per annum, respectively.

A substantial portion of the expanded enrollment came from students who were able to stay in school because of government subsidies. Primary-school students received free textbooks—the cost of which had been a serious constraint for low-income families. Similarly, school breakfast and lunch programs mushroomed. At the peak of the program half of all primary students were receiving free breakfasts, and one-quarter were getting free lunches.

Allende's perennial problems with the legislature limited his regime's impact on education. Enrollments continued to rise. Wherever possible the curriculum emphasized Marxist "conscientization." Even these efforts were severely constrained. A February 1973 proposal for a national unified school system recommended "establishing a unifying ideology in all public and private schools..." It drew such criticism that the Ministry of Education withdrew it (see Religion, this ch.; The Allende Government, 1970–73, ch. 1).

Chilean education in the 1970s consisted of four levels: preprimary, primary, secondary, and university. Preprimary was further divided into three age-groups—crèche for infants to two years of age, nursery (two to four years), and kindergarten (four to six years). The kindergarten system, under the nominal direction of Pinochet's wife, expanded significantly under the military government. All told, however, preprimary represented a small portion of total enrollment. The primary level consisted of an eight-year compulsory cycle; it accounted for the bulk of enrollment. The optional four-year secondary school cycle consisted of two curricula, one a college preparatory course of arts and sciences, the other a vocationally oriented technical program. The university system included a total of eight schools, six public and two private, i.e., Catholic.

A 1974 memorandum placed public and private schools alike under the dual control of the Ministry of Education and the commander of military institutes. In 1982 the ministry continued to handle administrative and pedagogical matters, and the commander of military institutes dealt with discipline and security. The precise operation of this division of responsibility was not always clear. On the level of the individual institution the principal (primary and secondary schools) or the rector-delegate (universities) retained control. Both offices held considerable powers. Rectors and principals alike played a central role in hiring and



University of Chile, Santiago
Courtesy Veronica Stoddart/Americas

firing since a 1973 decree-law granted only provisional contracts to teaching personnel.

Education occupied a prominent place in the military's attempts to remake society. The junta's ambition was to create an avowedly nationalistic and anti-Marxist educational system. The military began weeding out anything remotely resembling "Marxist" influence soon after the coup. Even before other alternatives were available, the Ministry of Education ordered that all texts tainted with notions of divisiveness within society, class warfare, and the like be removed. In place of these materials the minister recommended those that "give youth a better knowledge of the history and geography of Chile."

Education's role is reflected in a series of junta pronouncements beginning in 1974. Education is to inculcate values consistent with Chile's Christian, anti-Marxist tradition as set forth by the junta in its Declaration of Principles of the Chilean Government, issued March 1974. It is to encourage proper moral and spiritual values; love of one's country and respect for the family are particularly important. Education should, according to the Presidential Directive on National Education of March 1979, create, "good workers, good citizens, and good patriots." In a letter written to the minister of education at the time, Pinochet stated:

Reaching the level of secondary and, in particular, higher education constitutes an exceptional situation for a young person, and those who benefit from such education must earn it through their efforts. This entails a high

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level of work and strict requirements compatible with progress in science and technology. In addition, such education must be paid for and the benefits returned to the national community by any person who is able to do so now or in the future.

Public expenditures for education dropped dramatically during the first two years of military rule, then gradually recovered until by 1981 they exceeded those of 1972, when nearly 20 percent of the government budget was devoted to education. The increased expenditures were concentrated in primary-level education; the proportion of public educational expenditures going into the universities declined from about one-half during the mid-1970s to about one-third in 1980, when the level of state subsidy was frozen. University enrollment declined 3.4 percent yearly between 1973 and 1979; primary enrollment was down 0.5 percent annually; secondary school enrollment grew by 3.1 percent annually between 1973 and 1979 (in contrast to 15.4 percent growth between 1967 and 1973).

The 1979 Presidential Directive also laid guidelines for the transferral of the administration of public education below the university level from the Ministry of Education in the central government to the municipal governments. The process of decentralization of public education began to be implemented in 1980, although control over curriculum remained with the central government. Government authorities state that decentralization will increase the flexibility and responsiveness of the educational system; critics charge that it will create a stratified school system that will lower the educational standards in poor, especially rural, localities.

During the late 1970s government subsidies to private (mostly parochial) schools increased greatly. Enrollment in private secondary schools rose substantially, while those in private universities rose modestly. Secondary-level technical and vocational training, formerly under the Ministry of Labor and Social Welfare, was transferred to private-sector administration in 1980.

Two January 1981 decree-laws had a dramatic effect on the country's university system. Public universities subsequently instituted, for the first time, tuition fees. Low-income students could attend the university only if they obtained one of the low-interest educational loans made available by the government. The new laws also cut back the required university curricula to twelve degree programs. Degrees in social sciences, humanities, the arts, and some technical skills are to be pursued in so-called Institutes for Higher Learning, which do not have university status. The 1981 legislation also paved the way for the creation of new private universities, two of which were to open in 1982.

Believing that the system of higher education was a hotbed of Marxist discontent, the government has taken stern measures in an effort to depoliticize the universities. Early purges of

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suspected leftists resulted in the firing, expulsion, and often imprisonment of as much as 30 percent of all university professors and 10 to 15 percent of the student body. In October 1973 the military replaced rectors in both state and Catholic universities with presidential appointees. A series of decree-laws beginning in 1973 give the appointed rectors extensive powers. They can dismiss students, fire and hire professors, and create or disband faculties and institutes. They also have substantial control of fiscal and administrative matters.

Despite the regime's efforts, control of universities has not proved easy. In 1979 the government came up against the Catholic Church with the suspension of 105 Catholic University of Chile students—all seminarians (see Religion, this ch.; Political Actors, 1982, ch. 4). The students had organized a day-long boycott of classes in sympathy with May Day protestors arrested earlier.

During the January-February 1980 summer recess, over 200 professors were fired. The regime justified the 1980 firings, as well as further university cutbacks in 1981, in terms of budget cuts. Nonetheless it was widely noted that the burden of fiscal restraint seemed to fall disproportionately on those critical of the government. Those who had questioned regime economic policy and the new Constitution were among the victims in the 1980 round of firings; in 1981 many critics of new university regulations were dismissed. Student candidates supporting government policies fared poorly in university elections held in March 1979. The opposition took 60 percent of the vote, and government and independent candidates split the remaining 40 percent. Students also demanded a return to full academic freedom and elected rectors.

* * *

There is a wealth of English-language studies analyzing nineteenth- and twentieth-century Chilean society, but there is a dearth of in-depth research on the country since 1973. Arnold J. Bauer's *Chilean Rural Society from the Spanish Conquest to 1930*, Carl Solberg's *Immigration and Nationalism*, and Victor C. Dahl's "Yugoslav Immigrant Experiences in Argentina and Chile" all deal with the relationships between mestizos, whites, and later European immigrants. Louis C. Faron's *Mapuche Social Structure* describes Mapuche life in the 1950s; Saffan Berglund's *The National Integration of the Mapuche* is a 1970s account.

There are a large number of studies of class relations. James O. Morris' *Elites, Intellectuals, and Consensus* and Henry W. Kirsch's *Industrial Development in a Traditional Society* are

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both useful. Alan Angell's *Politics and the Labour Movement in Chile* and Brian Lovemen's *Struggle in the Countryside* look at organized labor's evolution during the twentieth century. Bauer's comprehensive study of rural society cited previously is invaluable. *The Politics of Land Reform in Chile, 1950-1970* by Robert R. Kaufman looks at the socioeconomic context of agrarian legislation. Paul E. Sigmund's *The Overthrow of Allende and the Politics of Chile, 1964-1976* and Stefan De Vylder's *Allende's Chile* are useful for the period from the 1960s to the early 1970s. Thomas G. Sanders' *Chilean Self-Management Cooperatives During the Military Regime* analyzes changes since the military take-over.

There are a number of good studies of Chile's Roman Catholic Church. Sanders' *The Chilean Episcopate* describes the views of the Catholic bishops in the late 1960s. His *The Chilean Catholic Church During the Allende and Pinochet Regimes*, coauthored with Brian H. Smith, describes church-state relations from 1964 through 1975. Smith's article, "Old Allies, New Opponents: The Church and the Military in Chile, 1973-1979," traces the often stormy relations between the junta and the Catholic Church.

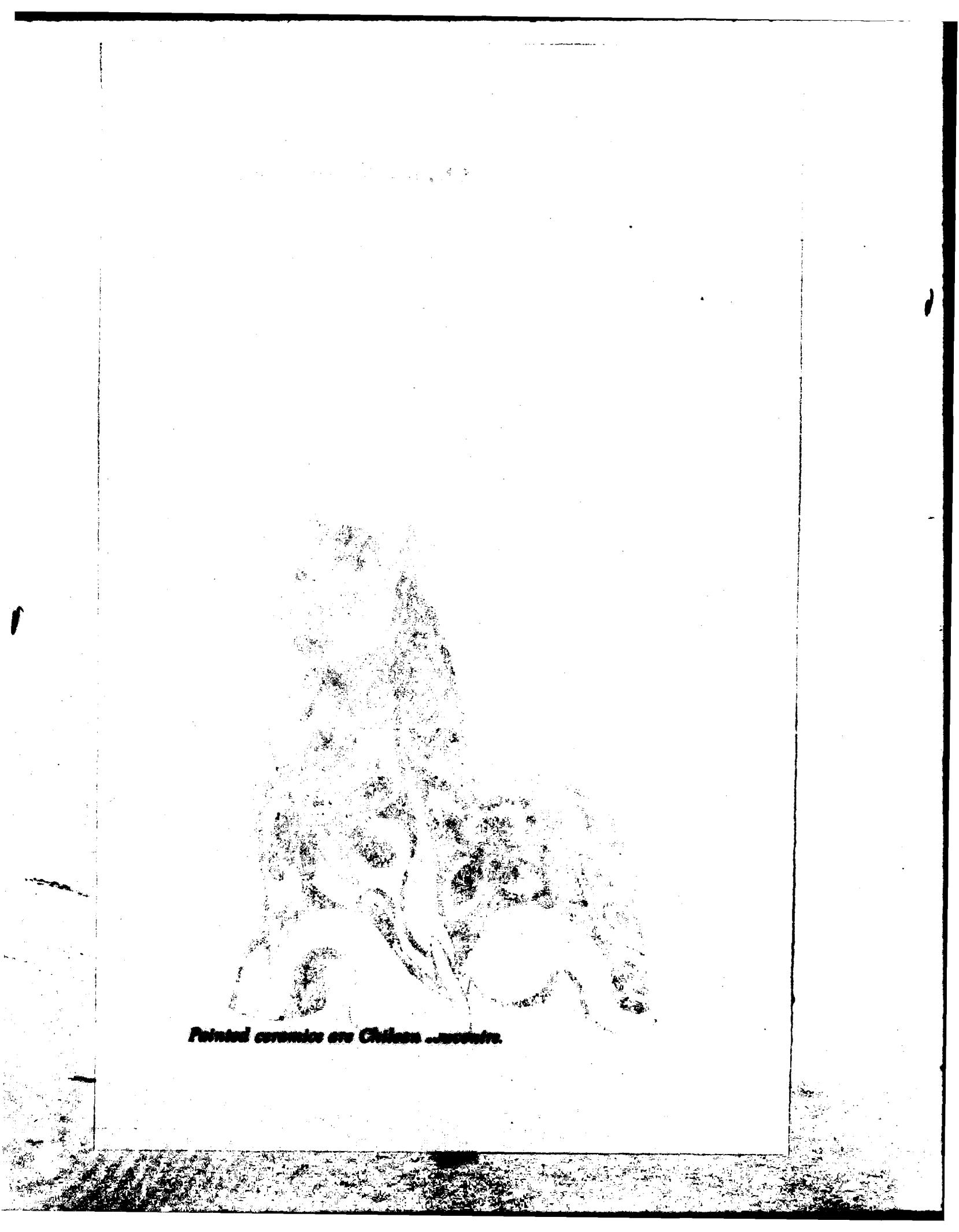
A number of studies focus on urbanization during the 1960s and 1970s. Eduardo E. Lozano's "The Regional Strategy of 'Unidad Popular' in Chile" is informative, as is a more general work, *Urban Latin America*, by Alejandro Portes and John Walton. There are a plethora of articles describing conditions among the urban poor in the late 1970s. The Pan American Health Organization's *Health Conditions in the Americas* is a general reference for health and health care. Norman Gall's *Births, Abortions, and the Progress of Chile* reviews the development of family planning.

Noel McGinn, Ernesto Schiefelbein, and Donald P. Warwick describe the organization of education and the history of educational reform in "Educational Planning as Political Process." Schiefelbein and Joseph P. Farrell's "Selectivity and Survival in the Schools of Chile" looks at the relationship of class background and educational success of primary and secondary students. Teófilo Rondon's brief article "Education in Chile goes to the Elite" details changes since 1973. (For further information see Bibliography.)



Chapter 3. The Economy





Painted ceramics are Children ...

IN 1982 CHILE was a developing country with considerable natural resources, an important industrial infrastructure, and an educated, productive labor force. The country ranked among the wealthier and most advanced developing nations with a gross domestic product of US\$17.7 billion in 1980. Its per capita gross domestic product was US\$1,590.

Historically, the Chilean economy has been export oriented, relying in the nineteenth century on agricultural and mineral exports and in the twentieth century on copper exports. Following the Great Depression of the 1930s, successive governments attempted to build a domestic industry capable of replacing imported goods and of insulating the country from the volatility of dependence on one export product.

Although Chile became an increasingly urbanized and industrialized society in the twentieth century, its economic performance was generally sluggish. Agriculture remained backward, while import substitution industries soon exhausted their markets and remained inefficient under the protection of an expanding state sector. Inflation became a standard feature of the Chilean economy as groups and sectors jockeyed for advantage and sought to recoup their losses with favorable governmental initiatives. Economic issues were consistently at the forefront of the political debate in Chile's democratic political system. Successive administrations of different political persuasions struggled to curb inflation and bring about more dynamic growth.

In 1970, by a plurality, Chileans elected Salvador Allende Gossens, a socialist, to the presidency. However, many of his policies proved to be misguided, and a majority of Chileans rejected his attempt to bring about fundamental social and economic transformations. The ensuing economic and political crisis brought the country to virtual paralysis and exacted a severe toll on the economy.

The military leaders who overthrew Allende in 1973 moved swiftly to restore order and rehabilitate the economy. Surprising most observers, and departing from the pattern of most other Latin American military governments, they opted to reduce the role of government in the economy and allow the free play of market forces, breaking dramatically with the policy trends of the previous forty years.

After a severe downturn in the economy in 1975, the policies of the military government began to show some positive results. Inflation was dramatically reduced, fiscal deficits were eliminated, the balance of payments showed a surplus, and the economy experienced several years of rapid growth. However, in mid-1981

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Chile fell into a severe recession, aggravated by a severe international recession, which underscored some of the continuing weaknesses of the Chilean economy.

Growth and Structure of the Economy

After Chile secured its independence in 1818, the economy prospered through a combination of mercantilist and free market policies. Agricultural exports, primarily wheat, were the mainstay of the export economy, though by midcentury Chile had also become one of the world's leading producers of copper (see Independence, ch. 1). After the War of the Pacific (1879-83), nitrate deposits mined in areas won during the war became the source of a new export product, which provided enormous new resources for imports, public works projects, education and, indirectly, for the expansion of an incipient industrial sector. By 1910 Chile had established itself as one of the most prosperous countries in Latin America.

Between 1890 and 1924 nitrate output averaged about a quarter of the gross domestic product (GDP), and almost half of the government's ordinary budget revenues came from customs duties as income taxes were sharply reduced. This contributed to considerable financial instability as the fate of government expenditures depended on the vagaries of the export market. Indeed, Chile was faced with a severe domestic crisis as the nitrate bonanza ended abruptly during World War I, when German scientists invented synthetic nitrates for the war effort after Germany was cut off from the world's only source of natural nitrates.

Copper exports gradually replaced nitrates as Chile's main export commodity as United States companies bought existing Chilean mines for large-scale development, making use of new technologies that made it feasible to extract copper from lower grade ores.

The depression of the 1930s was catastrophic for Chile. The initial impact was felt in 1930 when the GDP dropped 14 percent, mining declined 27 percent, and export earnings fell 28 percent. By 1932 the GDP was less than half of what it had been in 1929, exacting a terrible toll in unemployment and business failures. The League of Nations labeled Chile as the country hardest hit by the depression.

The depression had a profound impact on Chilean politics. Many national leaders were intent on insulating the economy from external shocks by promoting the development of local industry. After six years of austere government policies, which succeeded in reestablishing Chile's credit worthiness, Chileans elected to office a succession of center and left-of-center governments (1938-58) that sought to promote growth with greater government intervention in the economy. Spurred in part by the devastating earthquake of 1939, they created the Development

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Corporation (Corporación de Fomento de la Producción—CORFO) to encourage with subsidies and direct investments the development of an import substitution industry; a process that was further spurred by the advent of World War II and the cutoff of many imported products. Other state enterprises in electric power, steel, petroleum, and other industries were also created and expanded. Although agrarian reform was not attempted, the government increasingly resorted to controlling agricultural prices in order to subsidize the urban working and middle class.

Import substitution industrialization in Chile did not produce dynamic growth. Consumer-oriented industries soon found that their markets were limited in a society where large sectors of the population were poor and where many rural inhabitants lived at the margins of the money economy. The economic model did not generate a viable capital goods industry, as firms relied on imports of often outmoded capital goods and intermediate goods. Survival often depended on state subsidies or state protection.

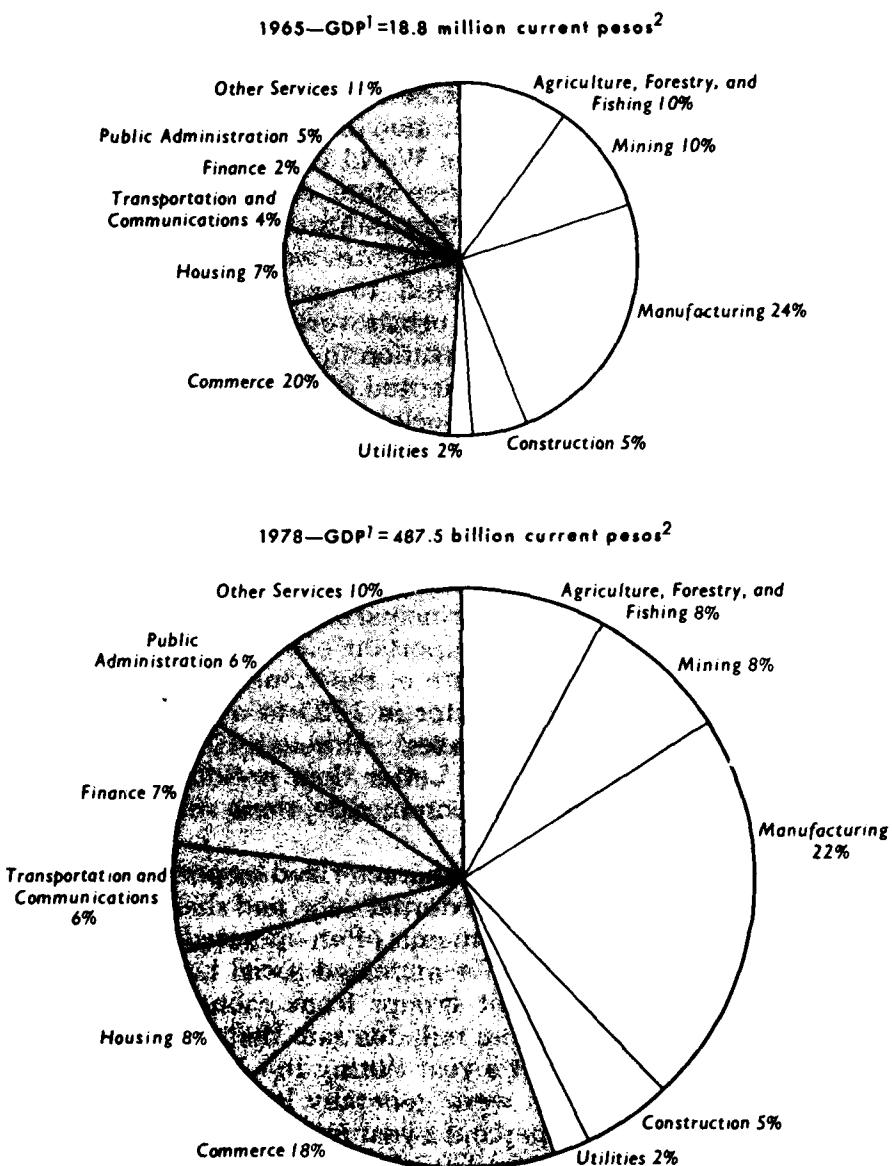
Copper continued to be the principal export commodity, source of foreign exchange, and an important element in government revenues. Chile's retained share of the value of copper output increased from about one-quarter in 1925 to over four-fifths in 1970, mainly through higher taxes. Although Chile's protected industry insulated the country better than previously from the price shifts in a highly volatile commodity, these shifts continued to take their toll.

The period 1930–70 was thus characterized by periodic balance of payments crises, a growing external debt, and sharp changes in international reserves. Governments often operated with deficits, as they became responsible for increased social benefits to help insulate politically important groups from economic hardship. This contributed to fueling an inflation rate that was persistently high, averaging 32 percent a year during the 1950s and 1960s.

Economic growth rates were generally low. The per capita GDP growth averaged 2 percent a year from 1937 to 1952 and 1.4 percent between 1952 and 1970. From 1940 to 1978 manufacturing only increased its share of the GDP from 19 percent to 22 percent, whereas mining dropped from 9 percent to 8 percent and agriculture, forestry, and fishing fell from 16 percent to 8 percent. The largest increases came in the service sector, commerce accounting for 18 percent in 1978 (see fig. 7).

Under the government of President Carlos Ibáñez del Campo (1952–58) the problems with the model of import substitution industrialization reached a crisis point. Per capita GDP declined steadily so that it was lower in 1960 than it had been in 1952. In 1955 inflation reached a high of 83.8 percent. The country's severe economic difficulties were the main issues in the presidential election of 1958 in which the conservative Jorge Alessandri Rodríguez barely defeated the socialist Allende.

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¹GDP at market prices.

²For value of the peso—see Glossary.



Source: Based on information from Fred D. Levy, et al., *Chile: An Economy in Transition*, Washington, 1980, p. 339.

Figure 7. Gross Domestic Product (GDP) by Sector of Origin, 1965 and 1978

The Alessandri administration followed a policy of economic austerity, succeeding in bringing inflation down to 5.4 percent in 1960 and reversing the decline in per capita GDP. However, his government was not able to control inflation, which rose to 45.4

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percent in 1963, and the continuing slow economic growth rates led more and more Chileans to call for reforms, particularly of Chile's outmoded agricultural sector, as a solution to the country's problems.

In 1964 the Christian Democratic candidate, Eduardo Frei Montalva, was elected on such a platform (see "Revolution in Liberty," 1964-70, ch. 1). During his first years in office he was able to moderate inflation and spur production so that during the 1960s average growth rates were 5.9 percent, far above the average growth rates for previous decades, despite a downturn in 1967. More significantly, Frei's government introduced extensive reforms, including one of the most far-reaching agrarian reform programs in Latin America. It also improved the tax system and government efficiency, while increasing expenditures in education, health, and housing. Public and private investment in infrastructure and productive activities also increased, and the Frei administration concluded a major new agreement with the United States-owned copper companies involving substantial new investments in copper production.

The Christian Democrats were hurt by the downturn in economic performance in 1967 and by the steady rise in inflation. They were also hurt by criticisms on the right that their reforms, particularly in agriculture, were too extensive. At the same time, the left criticized the government for not going far enough. These political divisions made it impossible for the right to ally with the Christian Democrats in the presidential election of 1970. What had almost happened in 1958 finally happened as Allende was elected to the presidency with a plurality of the vote (see *The Allende Government, 1970-73*, ch. 1).

The Allende government blamed the nation's ills on dependence on exports of a mineral controlled by foreign owners, the increasing penetration of local markets by foreign firms, the dominance of agriculture by large landowners, and more generally what it saw as the weaknesses of a dependent capitalist economy. Government policies were aimed at restructuring the economy in the direction of creating a new socialist order. This was to be accomplished through the extension of land reform, the control of key industries, the expansion of government services and programs, and a deliberate strategy of income redistribution.

The Allende government immediately embarked on a highly expansionary economic policy, on the assumption that the unused capacity in the economy could easily absorb it. In 1971 price controls pushed prices down, and the GDP increased 7.7 percent in constant prices while industrial production went up 11 percent. Real wages went up nearly 20 percent and even more for lower wage earners.

At the same time, the government moved to nationalize approximately eighty key firms in addition to the foreign copper mines

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and all of the largest banks. Land reform was accelerated; nearly as many farms were expropriated in 1971 as in the previous six years. Public expenditures increased significantly from 21 percent of GDP to 27 percent, much faster than revenues.

But the Allende government proved unable to contain these expansionary policies. It was unwilling to cut back on government programs or to restrain further wage increases, and because of its minority position in the National Congress, it was unable to obtain tax increases. Nationalization of medium and small firms accelerated in 1972. The government soon exhausted its international reserves as the country began to import massive amounts of goods, particularly foodstuffs, to meet demand in a context of increasing industrial and agricultural disruption spurred on by strikes and takeovers by government supporters, demonstrations, and sabotage by opponents. Many international aid and lending sources dried up, and the economy faced a serious shortage of imported foreign parts. More and more commodities moved through the black market because of unrealistic price controls.

In a time of rising political and economic difficulties the GDP in 1972 was virtually unchanged; in 1973 it fell 3.6 percent, bringing down real wages. Inflation during some months of 1973 reached 1,000 percent, the yearly rate standing at about half that number, the highest in Chilean history. Agricultural production had declined to the level of the early 1960s, and industrial production was 15 percent below the figure for 1971.

The military junta that overthrew Allende turned for economic advice to a group of experts not associated with either the Christian Democrats or the left. Mostly trained at the University of Chicago (hence the designation "Chicago boys"), they argued for a reversal not only of Allende's policies but of the interventionist policies of the previous four decades. By reducing the size of government, removing government regulations including tariff barriers, and withdrawing the government from direct involvement in productive enterprises, they aimed to reduce inflation and allow the economy to expand with free market forces.

The military authorities moved quickly to implement their program. Government expenditures as a percentage of the GDP dropped from 43 percent in 1973 to about 30 percent in 1980 while public sector employment was reduced. Deficits were reduced to the point that the budget was balanced in 1980. Firms that were seized by the government because of strikes or worker takeover were returned to their former owners. Expropriated agricultural land that had been held in cooperative ownership was expeditiously titled, largely to individual families at their request. Eventually the government auctioned off most of the firms and industrial enterprises in the state sector, though the copper mines, utilities, railroads, and other large firms remained in government hands. At the same time price controls were removed, while

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wages remained controlled and labor was restricted from making demands, thus helping to reduce inflation.

Government economic policies were not implemented without considerable difficulty in the early years. Although the GDP grew 5.6 percent in 1974, inflation continued to be high and copper prices fell sharply while the cost of crude oil quadrupled. The country faced a severe balance of payments deficit, as Chile's reserves were negative, and international bankers withheld further funds. In response the government imposed a severe austerity program (the "shock treatment"), which led to the worst recession in Chile since the Great Depression. Real GDP dropped 12.9 percent while manufacturing fell by over 25 percent and construction by 26 percent. Per capita national income fell 19 percent, and unemployment in Santiago reached 20 percent. Taxes were increased, public sector expenditures reduced further, the currency devalued, and imports curtailed.

By early 1976 the recession bottomed out, and real GDP increased 3.5 percent. This modest growth was followed by a strong recovery in the four succeeding years with growth rates of 9.9 percent, 8.2 percent, 8.3 percent, and 6.5 percent respectively. Inflation, in turn, was reduced from 369 percent in 1974 to 35 percent in 1980. A fixed exchange rate of 39 pesos to the dollar imposed in July 1979 contributed to a further reduction in inflation as the Chilean peso (for value of the peso—see Glossary) became increasingly overvalued (see Introduction). By 1981 inflation stood at 9.5 percent, the lowest level since 1960. At the same time large international loans, primarily to the private sector, contributed to a favorable balance of payments and the accumulation of international reserves, which by 1980 had reached US\$3.3 billion.

Recovery after 1975 proved to be uneven among the sectors; construction lagged behind until 1979 when it jumped 23 percent and became the fastest growing sector of the economy in 1980 and 1981. The manufacturing sector recovered more rapidly than many observers expected, particularly in view of the fact that the government reduced tariff barriers dramatically (to 10 percent for nearly all imported products except automobiles) during the recession, thus exposing domestic firms to international competition. Their adjustment can be explained by unutilized demand, lower wage costs, and the shifts of investments into export industries with higher returns. Many firms also shifted to marketing imported products that they previously manufactured in Chile. A notable achievement for government policy was the significant increase in nontraditional exports, particularly high-value agricultural products and manufactured products based on Chilean primary resources.

By the early 1980s it was difficult to tell what course the Chilean economy would take. The strong economic recovery begun in

1977 was too short lived to provide sufficient evidence about the underlying strength of the economic model inaugurated by the military authorities. Economic growth from 1976 to 1980, while at rates considerably above historical averages, was mostly a recovery from the economic chaos of 1972-73 and the severe economic downturn of 1975. In 1980 per capita GDP was only slightly above its 1970 level. Industrial growth lagged behind other sectors: the industrial share of the GDP, which stood at 25.3 percent in 1973, had dropped to 20.6 percent by 1980, while industrial employment was 13 percent lower than it had been in 1970 and 26 percent lower than in 1973. Underlying the weakness in industrial performance was an investment rate (11.2 percent from 1974 to 1979) substantially lower than the rate of the 1960s. Despite a significant increase in total imports, machinery and equipment imports did not reach the level of 1970 until 1980.

In mid-1981 the Chilean economy suffered another sharp downturn, which reduced 1981 GDP growth to 4.5 percent. In that year foreign borrowing expanded by US\$4 billion to a total of US\$14.8 billion, and the debt service ratio increased to 56 percent as Chile's export earnings dropped, in part because of record low copper prices. Many observers speculated that Chile's economic difficulties, compounded by the international recession, would lead to negative growth rates in 1982 and another sharp decline in the industrial sector. The debt was expected to rise to US\$18.5 billion by the end of 1982.

Another severe recession would only aggravate the situation of Chile's lower classes (see *The Lower Class*, ch. 2). Unemployment, which remained well above 10 percent throughout the period, increased further in late 1981 and early 1982. In 1980, according to the official index of wages and salaries deflated by a corrected consumer price index, wages and salaries were still about 10 percent less than those of a decade earlier.

Labor Force

In September 1981 the labor force numbered 3.34 million. Agriculture was the leading source of employment followed by commerce and manufacturing (see table 3, Appendix A). Estimates of the labor force by various agencies using different methods were 3.11 million in 1975, 2.93 million in 1970, and 2.48 million in 1960. Labor data were unreliable and incompatible over time because of changing categories. The broad trend from the available data showed declining agricultural employment during the 1960s and early 1970s. Employment in manufacturing increased during the 1960s along with considerable industrial expansion. The early 1970s again witnessed a substantial rise in industrial employment, but during the late 1970s the trend was reversed, agricultural employment increasing while manufacturing employment declined.



Santiago subway (Metro)
Courtesy PROCHILE

The 1975 depression caused extensive unemployment, and many Chileans migrated to Argentina in search of work. Labor surveys for Greater Santiago indicated a peak unemployment rate of almost 20 percent in the first quarter of 1976. Many observers suggested that unemployment was substantially higher because the data ignored the temporary withdrawals from the labor force and the large number who earned occasional income from selling goods or services. But everybody agreed that unemployment was serious. In 1975 the government instituted a Minimum Employment Program (Programa del Empleo Minimo—PEM). The program was geared to unemployed heads of households and paid them a small fraction of the minimum wage. Participation in the program varied between 100,000 and 200,000 from 1975 to 1980, when the limitation on participation to heads of households was relaxed. By early 1982 unemployment still remained high, estimated at 13.5 percent for Greater Santiago and slightly higher nationwide. PEM participants, between 4 and 6 percent of the work force, were excluded from official unemployment figures. If they had been considered unemployed, 1982 unemployment would have approached 20 percent.

Agriculture

After being an important exporter of wheat and other

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agricultural commodities over a long period of time, Chile in the twentieth century became increasingly dependent on food imports. The growing external dependence added to the balance of payments strains and since at least the 1930s became a focus of government policy attention. The government's increasing intervention—controlling prices and breaking up large estates—until 1973 was, according to critics of the past government role, a major cause of the slow expansion of agricultural output. By 1980 agriculture (including some forestry and fishing) contributed about 7 percent of GDP and employed about 18 percent of the labor force.

Land Use

The small amount of arable land imposes a major constraint on the expansion of agriculture. The agricultural census of 1975-76 showed that only around 28 million hectares—37 percent of the country's total area of 75.7 million hectares—was usable for farming, pasture, and forestry. Pastures amounted to 12.1 million hectares (1.3 million hectares of improved pastures) and forests to 12.6 million hectares, of which 2 million hectares were exploited. Cultivable land amounted to 3.3 million hectares, less than 5 percent of the total land area. By the late 1970s population growth had reduced the ratio of cultivated land and pasture per person to about one hectare, one of the lowest ratios in Latin America. The bulk of the country consisted of desert, mountain slopes, and other areas unsuited to meaningful agricultural activity.

The country consisted of five distinct geographic regions (see *Geographic Regions*, ch. 2). The most important by far was the central region, comprising the area from just north of Santiago south to around Puerto Montt (about 30 percent of the country—see fig. 1). The bulk of the population, industry, and arable land is concentrated there. Its soils and climate are frequently compared with those of California or parts of the Mediterranean Basin. South of the Río Bío Bío rainfall and forests increase; this area has been developed almost entirely since the late 1800s.

The northern part of the country (about 40 percent) consists largely of desert with only isolated cultivation in some river valleys, accounting for 9 percent of the irrigated land. The southern part of the country has considerable rainfall but only about 3 percent of the arable land and 1 percent of the farms; forests and pastures predominate. Sheep raising for fine wool is the main agricultural activity at the southern tip of the country.

In the late 1970s the regularly irrigated land amounted to 1.1 million hectares, one-third of the arable land and most of it in the central region. An additional 900,000 hectares had distribution facilities for irrigation when water was available. Despite the importance of irrigation to the country's total agricultural output and the government's increasing involvement in irrigation, for-

ign and domestic experts have criticized the defects and inefficiencies in the system for decades.

The defects are many and serious. Poor project planning and design, partly caused by a lack of basic hydrological and other data, resulted in faulty location of dams and distribution canals as well as inadequate drainage. River flows were left largely uncontrolled, subjecting the distribution system to flood damage and silting. The existing water supply and major infrastructure were capable of irrigating a significantly greater area if such minor construction as storage facilities and more canals were added to use the water flow around the clock instead of only during daylight hours. Charges for water use were very low, contributing to a wasting of water as well as constituting a subsidy from budget revenues.

The proliferation over the years of government agencies involved with various aspects of irrigation contributed to the deficiencies. Despite the efforts of successive governments since the 1930s to improve management and performance of the irrigation facilities, policy direction of and coordination between agencies were deficient. In the mid-1970s a national irrigation commission was established to oversee and coordinate irrigation agencies. By 1982 it was far from clear that the new commission and other recent measures were any more successful than past attempts by various governments to reduce the deficiencies in the irrigation systems. The government's efforts continued to be concentrated on developing major projects to bring new land under irrigation rather than improving efficiency of existing facilities, which would be a less costly and time-consuming process.

Agrarian Reform

Over the centuries historical, economic, and social factors led to very unequal ownership of the country's farmland. The 1955 agricultural census showed that large farms were only 7 percent of total farm units, but they accounted for 65 percent of the arable land and 78 percent of irrigated land. At the other extreme, 77 percent of the total farm units accounted for only 13 percent of the arable land; nearly half of these small farms lacked sufficient land to provide the subsistence needs of a family. In addition, in the mid-1950s over half of the active farm population either worked as laborers or farmed under some form of tenancy.

Since the turn of the century the highly unequal ownership pattern of farmland was increasingly blamed for the slow growth of agricultural output. Pressure mounted for reform measures. In 1928 a modest law was passed under which redistribution of land was begun. The government purchased about 1 million hectares

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between 1928 and 1962, when the law was superseded, but less than half of this land was distributed to fewer than 4,000 families.

In 1962 a more comprehensive agrarian reform law was passed in response to growing political pressures. The new law established criteria and procedures for expropriating and distributing farmland, and it created the Agrarian Reform Corporation (Corporación de la Reforma Agraria—CORA) to handle the redistribution. Lands that were judged to be inappropriately used, abandoned, available for public sale, rented to a third party under certain circumstances, or required for a regional development plan were the prime targets for expropriation. Farm size was not a determinant for expropriation except where very small plots were to be amalgamated to form viable farm units. A point system favoring permanent workers on expropriated land was established to guide redistribution of farm property. The 1925 constitution required full cash compensation to be paid for expropriation, although payments could be spread over ten years.

Land reform proved to be slow and expensive under the 1962 law. Moreover the 1964 presidential elections brought in Frei, who had campaigned for more active reform. Expropriations were accelerated by the new regime and work started on additional legal measures. In 1967 the constitution was amended to facilitate expropriation, and a new agrarian reform law was passed.

The 1967 law added excessive size to the criteria for expropriation. Maximum holdings under most circumstances were defined as eighty basic irrigated hectares. A basic irrigated hectare was legally defined as essentially an irrigated hectare of first-quality soil in the central region or its equivalent. Coefficients (reflecting soil quality, availability of roads, proximity to markets, climate, and other considerations) were used to convert other agricultural land to the equivalents of the basic units. Farms larger than eighty units were eligible for expropriation; an expropriated owner could legally retain half of his original farm (called his reserve) up to the eighty-unit ceiling if he was the cultivator. Absentee and corporate farm owners also became subject to expropriation. The high cost of expropriation to the government was lessened by the use of tax assessments rather than current market rates to establish values for property.

Expropriated land was not immediately transferred to individual ownership. Instead, the land went to cooperatives, called *asentamientos*, for a transitional phase usually lasting three years. The cooperatives were intended to assist the new landowners to adjust and to keep up production, although the government preferred that cooperatives remain after the transitional period rather than for the expropriated land to pass to individuals. Cooperative members and beneficiaries of land redistribution were primarily former workers or tenants of the large estates, leaving

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many of the landless and those nearly so basically unaffected. The government's efforts to increase the membership of cooperatives were usually effectively resisted by the original members, who did not want their equity diluted.

The Frei government (1964-70) had optimistic plans for land reform. The goal was 100,000 new farms, an unreachable objective given the magnitude and constraints involved. Nonetheless the achievements were considerable. Between 1965 and 1970 there were 1,410 farms (nearly one-fourth of the total) of 4.1 million hectares taken over, although only about 900,000 hectares (about one-fifth of the total) were cultivable. Over 900 cooperatives were formed with about 20,000 to 30,000 families.

The Allende government (1970-73) substantially increased the pace of land expropriation. Between 1970 and 1973 nearly 4,400 farms having 5.9 million hectares, including 1.3 million hectares of arable land, were expropriated. Nearly 300 cooperatives were formed, and an additional seventy-six state farms were created—including vineyards and livestock ranches—where large amounts of investment capital were required. Approximately 50,000 families were accommodated in the cooperative units. In the 1970 campaign Allende had pledged broader land reform measures, which stimulated the expectations of landless peasants. Tensions increased in the countryside; land seizures increased dramatically in 1971, and more followed in the next two years. The seizures contributed to expropriations of parcels below eighty basic irrigated hectares and legal reserves of owners and other violations of the laws. Owners also fled from the threat of rural violence, resulting in expropriation of their property because of abandonment.

Chile's land reform was extensive. Between the mid-1960s and late 1973 nearly 10 million hectares, including 2.2 million hectares of cultivable land, were expropriated; almost half of the arable land and over 60 percent of that irrigated went into the reform sector. Practically no farm titles were issued to individuals before late 1973.

During the 1960s reform activities stimulated more efficient use of the country's land resources and increased agricultural output. Studies showed a greater use of modern technology and a shift toward high-value production on both reform and unexpropriated land. This favorable development was reversed during the Allende regime, however, when investment declined because of reduced security of private property rights, threats of a substantial reduction of maximum holdings, and continued retention of expropriated land in cooperatives. Government price policies also disrupted production and marketing, and in 1972 and 1973, after a year of growth, agricultural output fell off sharply.

The other effects of agrarian reform were less clear cut. Studies suggested that the number of workers on cooperative land in-

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creased while labor productivity declined. Incomes in the reform sector appeared to increase significantly, although this partly reflected indirect subsidies from the budget. Only about 12 percent of the landless farm laborers received land through the reform measures, and other groups, such as Indian communities and farmers with very small plots, were almost completely neglected.

After the overthrow of the Allende regime in September 1973, the government of Augusto Pinochet Ugarte reversed most of the policies toward agriculture. Expropriations were halted and a start made to return farmland to private ownership. Consultants were hired to help in soil surveys, preparation of cadastral maps, and other measures to speed up titling. Land was distributed in family-sized plots called Agricultural Family Units. A unit was a parcel that would net a return of the equivalent of about US\$1,200 a year (in 1974) before amortization of the land. A unit averaged about 8.5 basic irrigated hectares. Not until 1978 was the 1967 agrarian reform law and its eighty-hectare ceiling formally repealed.

Of the 10 million hectares expropriated, all but 800,000 hectares of poor-quality land had been distributed by the government by the end of 1979. The best farmland, 3.8 million hectares, was distributed to over 50,000 individual beneficiaries. Another 3 million hectares was returned to the original owners because of illegalities and irregularities in the expropriation proceedings. The remaining one-third of the expropriated areas were grazing land and forestland of dubious quality, most of which had been sold or transferred to nonprofit public and private institutions by 1982. The primary beneficiaries of the land distribution since 1973 have been the former workers and tenants of the expropriated estates. There remained, according to the 1975-76 agricultural census, about 190,000 small farmers (60 percent of all farmers) with farms of fewer than five basic irrigated hectares. The average size was about one basic hectare for these small farms, requiring most owners to supplement their income through wage labor or artisan activities.

Even with the deficiencies, Chile's land reform was a major economic achievement. The reduction of farm size afforded opportunities for more intensive agriculture, such as fruits and vegetables, in which the country appeared to have a comparative advantage. After 1973 agriculture rebounded, partially in response to the dropping of controls, more realistic pricing, and reduction of other government intervention. By 1980, for example, farm support prices had been abolished on all commodities except sugar beets. Continued expansion of agriculture faced serious challenges, however. The removal of tariffs on agricultural commodities placed severe strains, at least in the short

run, on many farmers accustomed to protection from foreign competition.

The land reform beneficiaries had been mostly tenants and wage laborers on the former large estates. They had little education or experience in farm management. This group, plus the large number of farms with fewer than five basic irrigated hectares, complicated the provision of such agricultural services as credit, extension work, and various inputs. Inadequate credit in terms of amount and facilities threatened agricultural development. The problem was particularly acute for small farmers; in the late 1970s the government, with international technical and financial help, was attempting to increase the availability of credit to small farmers.

Chile had long had a well-financed agricultural extension service, but its farm-level activities were poor. In the late 1970s extension programs remained weak and understaffed, even though the need was significantly greater than in the 1960s. In 1977 an innovative approach was announced whereby private firms would provide extension services with a portion of the fees for small farms subsidized by the government. This untried approach had several potential obstacles. By 1982 it was not clear how successful the private sector extension program had been, but it had reached only a small fraction of farmers. It would take time and effort to implement effective programs for development of the potential of small farms.

The low technology used on many small farms and the difficulties of raising productivity through modern inputs, expanded credit, and extension services implied that agricultural output could be quickly raised by promoting larger farms operated by experienced managers. The upper ceiling on landholdings and the ban on corporate landownership were removed in the late 1970s, but restrictions remained on the sale of reformed sector land by beneficiaries. These restrictions limited but did not preclude purchases of land by merchants, former owners, and others who could afford to consolidate large holdings. Furthermore, a large number of bankruptcies of small farmers, particularly around Talca, in the late 1970s and early 1980s contributed to the reconsolidation of landholdings. In the 1980s Chile's ownership pattern of farmland was again a subject of vigorous debate. The large holdings, which had been broken up at considerable social and economic cost, could possibly be reconstituted.

Cropping Pattern and Production

In the late 1970s an effort was under way to improve the quantity and quality of the country's agricultural statistics. The effort was much needed and long overdue. The statistics available had serious gaps and were based on a mid-1960 production pattern that had become outmoded for estimates in the late 1970s. The

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available statistics failed to measure the change in land use toward fruits and vegetables, for example, and only provided crude indicators of the trend of agricultural production.

Understanding that the statistics were less than precise, agriculture's value added increased an average of 6 percent a year between 1974 and 1979. The sector's growth was accompanied by a substantial expansion of farm exports and a reduction in agricultural imports. It was unclear, however, how sustainable this recovery from the severe disruptions of 1972-75 would be. The growth of agricultural output slowed to less than 4 percent in 1980, however, and in 1981 was estimated at zero.

Cropping was by far the most important agricultural activity. In 1979 cropping contributed 64 percent of agricultural production and livestock only 36 percent. Fifteen traditional field crops accounted for 43 percent of the value of crop production and over 60 percent of the cultivated land (nearly 1 million hectares). Wheat was the most important crop in terms of area planted, the number of farmers growing it, and the value of production. In 1978 wheat was grown on 580,000 hectares, and production amounted to 893,000 tons; wheat imports amounted to 950,000 tons. Other grains, mostly corn, barley, rice, and oats, accounted for only 277,000 hectares, and production was 591,000 tons in 1978 (see table 4, Appendix A).

The other major field crops were beans and other pulses, potatoes, oilseeds, and sugar beets. Beans were second only to wheat as the main ingredient in the national diet. In 1978 they were planted on 112,000 hectares, and production was 112,000 tons. Potatoes were the third staple in the diet; production amounted to 981,000 tons. Since colonial times the country had sought to avoid importing sugar, but sugarcane did not do well. In recent times sugar beets have been grown and processed in plants scattered in various areas. Government programs and high support prices spurred production. In 1977 the country was nearly self-sufficient in sugar production, but price supports and government assistance were being withdrawn. By 1979 sugar beets were grown on 16,000 hectares with production of 680,000 tons; land and production were less than a third of that in 1977. Sugar imports increased rapidly in the late 1970s. By the early 1980s some of the government sugar beet processing plants were being closed and others auctioned off to private investors.

In 1978 vegetables contributed 35 percent of the total value of crop production and were grown on about 390,000 hectares. Tomatoes and squash were by far the most important in terms of tonnage, but a wide variety of other vegetables were also grown, essentially meeting consumption requirements. Most observers noted a steady expansion of vegetable production in the 1970s, but



Undurraga vineyard near Santiago
Courtesy Veronica Stoddart/Americas

adequate statistics were not kept of land or production to measure the change.

Chile's climate permitted cultivation of a variety of fruits and nuts. Statistics were poor, but in 1978 fruits and nuts occupied nearly 200,000 hectares, and production amounted to about 600,000 tons excluding wine grapes. In terms of tonnage grapes were the most important, followed by apples, citrus fruits, peaches, and melons; many other fruits and nuts were cultivated, but quantities were much smaller. After 1973 the area planted in fruit expanded substantially, and existing orchards and vineyards were upgraded, much of the increase destined for sale abroad. The freeing of prices and other controls on agriculture caused the surge of investment in fruit cultivation. Productivity and seasons the reverse of the Northern Hemisphere appeared to bestow a comparative advantage on Chile's orchards and vineyards.

Livestock

The country's extensive grasslands have been a major natural resource, exploited since the Spanish Conquest. In 1979 livestock contributed 36 percent of the value of production in the agricultural sector. Cattle (providing meat, milk, and hides) accounted for 65 percent of the value of livestock production. Nonetheless, production had not kept pace with population growth,

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causing the consumption of beef per capita to decline. Imports of live animals and meat products were increased to supplement domestic production, but experts advocated such measures as expanding feed crops, upgrading pastures, and improving range management to raise meat production.

Poultry raising was the other major livestock activity. A few, established, large producers accounted for much of the expansion in poultry products. Domestic egg production, relatively stable at about 1.1 billion eggs a year, satisfied consumption needs. By 1979 more poultry meat was consumed in the country (about 79,000 tons a year) than pork, lamb, mutton, goat, and horse meat combined. Pork was the other major source of meat even though its consumption was minor compared with beef and chicken. The southern part of the country was a natural sheep-raising area, producing fine heavy fleece that commanded premium international prices. In 1979 wool fiber production amounted to about 20,000 tons, the highest grades of which were exported, although some wool was imported. Mutton and lamb also contributed small amounts to the supply of red meat.

Fisheries

Chile's fishing industry is second only to Peru's in Latin America, and the country ranked in the top ten fishing nations of the world in the early 1980s. Nevertheless, fishing and the processing of the catch contributed only about 3 percent of GDP and employed less than 1 percent of the work force. The main fish caught were anchoveta, jack mackerel, and sardines. The importance of anchovetas declined in the 1970s as they nearly disappeared from Chile's waters and expanding catches of other fish.

The bulk of fishing was undertaken off the coast of the northern third of the country. The boats and processing plants were modern and efficient. Some fish were caught off the rest of the country's long coastline, but these operations were mostly small scale. The bulk of the catch was reduced to fish meal and fish oil for export markets. In 1976 the total fish catch was about 1.3 million tons, a normal catch for the period. In 1979 production of fish meal and fish oil was 470,000 tons, of which 300,000 tons were exported. In the 1970s exports of fish products expanded sharply and in 1979 amounted to US\$193 million, of which fish meal accounted for over three-fourths. Nonetheless, exports of canned and frozen fish rose rapidly and had a substantial future potential if handling facilities and sanitation improved.

In the past the government had extended numerous incentives to develop fishing and had made one of the early claims of monopoly fishing rights over coastal waters out 200 nautical miles. After 1973 the government largely abandoned most of its activities in the industry, but it continued to take responsibility for planning and promotion. It moved slowly, however, and as of 1980 had not

established a more up-to-date fisheries law, causing uncertainty and inhibiting private investment. A start had been made, though, to test products made from krill, small, shrimp-like crustaceans rich in protein and vitamins. Antarctic waters contain large quantities of krill that support extensive sea life around the South Pole. The estimated potential annual catch of krill that could be sustained without depleting this valuable resource ranged much beyond the total seafood catch throughout the world each year. If marketable products for krill can be developed, Chile has considerable fishing possibilities. The products tested were frozen sticks and a powder to be used as an additive in soups.

Forestry and Wood Products

Forestry and associated wood products offered a considerable potential for development even though surveys and statistics were inadequate. In 1980 the country had around 6 million hectares of high-valued native forests, largely located in the area extending from just north of Santiago south to around Puerto Montt, often in areas not easily accessible. In 1982 these native forests contributed little, and exploitation would require major investments in time and money before they could make an important contribution to the economy. Tree plantations had a more immediate potential. By the late 1970s they had supplanted natural forests as the source of most wood.

Large-scale tree planting was begun in the 1930s and accelerated rapidly in the 1970s. By 1976 there were over 500,000 hectares of tree plantations, and by 1980 the plan called for about 1 million hectares, primarily of long-fiber *Pinus radiata*. This pine, a native of Monterey, California, was introduced into Chile in the late 1800s; it grows rapidly and in Chile can be cultivated at low cost.

In the early 1980s Chile ranked with New Zealand, Brazil, and other countries concentrating on developing tree plantations. The availability of trees for cutting faced a temporary reduction in the late 1970s and early 1980s because planting had lagged in the 1960s. In 1976 nearly 6 million cubic meters of pinewood were available. By the late 1980s and after, however, availability should substantially increase as a result of forestation programs in the 1970s. In 1974 lumber production was 1.4 million cubic meters, 1.1 million cubic meters of which was pine.

The government has long had an interest in forestry development and has contributed to its expansion. The National Forestry Corporation (Corporación Nacional Forestal—CONAF) was established in 1972 to replace earlier organizations and was given primary responsibility for planning and administering forestry activities of the government. Until 1978 CONAF was directly involved in forestation programs, primarily on land leased from private owners but also on some government-owned land. Since

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1978 tree planting has been undertaken entirely by the private sector. In contrast to most other sectors, the government has continued to provide subsidies under specific conditions for tree planting on new land under a 1974 forestry law.

Large landholders were mainly responsible for private sector development of forestry and were the main beneficiaries of the incentive programs. Tree plantations used land unsuited to agriculture. Low land and labor costs along with good climatic conditions provided for rapid tree growth. This marked cost advantage, in conjunction with the altered exchange rate policy and the freeing of prices initiated in 1973, stimulated exports of wood products.

In the early 1980s lumber probably accounted for over half of the wood cut, although adequate figures were not available. Pulp and paper probably consumed over 40 percent; such products as plywood, particle board, and veneers consumed only a small percent, although production of panels had increased rapidly in the 1970s. There were more than 1,000 sawmills, nearly all of which were small and inefficient. During the 1980s upgrading the facilities and management of sawmills to reduce waste was a major goal.

Four large corporations dominated the forestry sector and the industries producing wood products. The corporations were vertically integrated and encompassed management of tree plantations and the processing of cut wood into pulp. Pulp production was dominated by the four large companies, two of which also produced paper products. Most of Chile's pulp is from the chemical processing of *Pinus radiata*. After the mid-1960s production increased rapidly: two and one-half times between 1973 and 1976 alone. Paper companies manufactured cardboard, computer punch cards, and writing, printing, and kraft paper. Exports accounted for over half of pulp production in 1976 and 40 percent of paper production (the bulk of which was newsprint). In 1979 exports of forestry products amounted to US\$403 million (nearly a tenfold increase since 1970), of which US\$181 million was pulp, US\$165 million was lumber, and US\$57 million was paper products.

Energy and Mining

The Spanish came to Chile seeking precious metals, but they were far less successful than in Peru and Mexico. The country had substantial natural resources, although the range is not nearly as large as in the countries to the north. In the late 1800s, partly as a result of the acquisition of large deposits of natural nitrates from Peru and Bolivia in the War of the Pacific, mining expanded considerably, providing the vehicle by which Chile's economy grew rapidly. In the twentieth century, mining continued to make a major contribution to the economy, although its share of GDP was

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only about 8 percent in the late 1970s. Its importance was largely in terms of helping the balance of payments and revenues for the budget. The sector employed only about 3 percent of the labor force.

Energy

Chile has more sources of energy than many developing countries, but the situation is not as favorable as it appears. Most of the energy sources are located in the south, far from the main consuming centers in the central and northern parts of the country. Production and transportation costs may prove prohibitive for development of some of these sources.

In the mid-1970s and probably in the early 1980s the largest consumer of commercial energy was the mining and mineral processing industry, accounting for about 30 percent of total consumption. Other industry consumed nearly 20 percent, transportation about 25 percent, and all other consumers, such as commercial establishments, households, and public services, the remaining 25 percent. Thus mining and industry consumed about half of the commercial energy, a high ratio in a developing country. The sources of this commercial energy were oil, 60 percent; hydroelectric power, 25 percent; coal, 13 percent; and gas, the remainder.

In the mid-1970s the country had known recoverable crude oil reserves (see Glossary) of about 32 million cubic meters, but imports continued to account for some 55 percent of the total oil supply in 1981. The escalating cost of petroleum since 1973 made crude oil the most significant import and added considerable pressure to the balance of payments. Reducing dependence on imported oil was a major government goal. In 1978 the National Energy Commission was created to examine the options and to develop the country's untapped sources under a national policy. The government owned most of the major suppliers of commercial energy, including the national oil company and many of the principal consumers of energy, and had powerful leverage to influence the development and consumption of energy.

Chile's proved oil reserves are concentrated around the Strait of Magellan where exploration began in the early 1900s. After private exploration failed to produce results, the government began exploratory drilling in 1928 and assumed full control of oil activity in 1932. The National Petroleum Company (Empresa Nacional de Petróleo) was established in 1950 after commercial oil production had begun in 1949. Until the late 1970s production was largely from onshore wells. After 1970 existing wells were running dry at a faster rate than new wells began producing, causing production to decline an average of 9 percent a year between 1971 and 1977; in the latter year crude oil production was 1.1 million cubic meters. Drilling in the strait during the 1970s resulted in many new

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producing wells that reversed the declining production trend. In 1979 production was 1.2 million cubic meters, the bulk of which came from new offshore wells.

The offshore reserves probably doubled the country's recoverable deposits of crude oil. Start of production from new offshore wells raised 1980 crude oil production about 45 percent and 1981 production about 24 percent. Additional drilling and installation of production platforms, being fabricated at a nearly new facility, could raise production for a few more years. In 1980 the country's total oil consumption was 5.8 million cubic meters. Three refineries produced petroleum products. In 1980 they operated at about 80 percent of capacity.

A 1975 law reversed a long-standing policy by authorizing contracts with foreign or domestic companies for oil and gas exploration and development in areas where the risks, costs, or technical requirements were beyond the capabilities of the National Petroleum Company. In 1977 incentives were authorized to encourage foreign and domestic participation. By the early 1980s some foreign oil companies were exploring in the seven areas that had been opened to them. So far Chile's oil fields have tapped a single reservoir. Some new fields probably will be found, but experts doubted that major new discoveries will be made. The prospects for petroleum deposits over most of the country were poor, and experts expected the country to remain dependent on imports to meet future consumption needs.

The known oil fields contained perhaps as much as five times the amount of natural gas (in energy terms) as crude oil. Estimates of the country's gas reserves were as high as 100 billion cubic meters. Most of the gas was associated with crude oil, but a few gas deposits had been discovered, although none of commercial value. In 1979 natural gas production was 5.7 billion cubic meters, 2.8 billion cubic meters of which were reinjected into the oil fields to stimulate the flow of crude oil and for storage. Liquid petroleum products were removed, some of which were used in the oil fields and some were sold, but considerable amounts of gas were flared.

The construction of a plant to use the natural gas to make fertilizer primarily for export was contemplated but was rejected as uneconomical. In the late 1970s a consortium including foreign oil companies was formed to build and operate a project to liquefy natural gas. The main market was to be the United States, although some gas would be delivered to Chilean markets. Some experts suggested instead a pipeline through Argentina to reenter central Chile to supply the population and mining centers. The costs would be considerably lower. Glaciers prohibited construction of a pipeline through southern Chile to the central part of the country. In 1982 the uncertain relations between Chile and Argentina precluded such a joint effort (see *Relations with Latin*

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American Nations, ch. 4). Without a joint arrangement, exploitation of Chile's natural gas would remain risky and problematic.

The country has extensive coal deposits, the bulk of which are located at the southern tip of the country and a long distance from consuming centers. They lie close to the surface (permitting strip mining) and to deepwater shipping routes, which presumably would permit economical shipment up the coast. In 1980, however, nearly all of the coal produced was from mines near Concepción; production was slightly over 1 million tons, substantially below the production of around 2.3 million tons in the mid-1950s. These mines were close to the end of their economic life. Coal mines had been nationalized earlier, and in the late 1970s coal mining was subsidized to provide employment for the miners. Nonetheless, exploitation of the country's coal reserves provided officials with options to substitute domestic energy sources for imported oil. Switching to coal as an energy source, particularly in mineral mining and processing and in electric power plants, would require changing some equipment, but the government owned many of these facilities and therefore could implement the conversion.

The country possesses a large potential for hydroelectrical power. By 1980 more than seventy-five sites, having a potential of over 8,600 megawatts, had been identified in the region with the greatest population concentration. In the 1970s construction was started at a few of these sites to increase the contribution of hydroelectric power to the energy supply. By 1982 well over half of electric power capacity was in hydroelectric generators, and they supplied about 80 percent of the power generated.

The great length of the country limited the interconnected system (between generation sites and consumption centers) to the central area, which contained the bulk of the population. Isolated systems served the northern and southern parts of the country. Mining and industrial companies with their own generators accounted for about a third of power generation. In 1976 total installed generating capacity was about 2,600 megawatts, and generation of electricity amounted to 9.3 billion kilowatt-hours. The government retained ownership of a substantial part of the generating and transmission facilities after 1973, though electrical utilities were broken up into smaller companies with the view of making them more efficient through decentralization.

Chile has substantial uranium reserves, the exploitation of which was under consideration by officials and foreign companies, and construction of a nuclear power plant during the 1980s was contemplated. Geologists assumed that considerable potential exists for geothermal energy, but only a few sites had been seriously investigated. In 1982 an important contribution from geo-

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thermal resources remained uncertain.

Officials possessed several options based on domestic energy sources to reduce the dependence on oil, particularly that from foreign sources. Development of coal and hydroelectric resources, and possibly natural gas, offered the most immediate prospect of restraining a rising fuel bill for imported oil, but change would nevertheless be slow in the 1980s. Observers noted that it was extremely important to the country's future that a national energy policy based on realistic assessments of costs be formulated and that various state energy organizations be altered to implement the policy effectively.

Mining

Copper remains by far the most important product mined in Chile. In the mid-1970s the country had 19 percent of the world's reserves and accounted for 12 percent of world production, ranking second in both world reserves and production. The country's proven reserves totaled about 80 million tons of pure copper or approximately eighty years of production at current rates. An additional 60 million tons of pure copper might be recovered from lower grade ores and new discoveries. The bulk of the known copper deposits were in the northern half of the country above Santiago. Most of the reserves were located at existing large mines. A few untapped sites remained, and new discoveries were a possibility.

Some copper was mined before the Spanish arrived, and they expanded the operations. Large-scale development began in the 1800s, partly resulting from British investments. In the early 1900s United States copper companies bought and developed the country's major mines. Chile for many years has legally distinguished between large, medium, and small mines. Five large mines, two of which began production in the early 1970s, held most of the reserves and generally accounted for over 80 percent of production. The Chuquicamata is the world's largest open-pit copper mine, and El Teniente is the world's largest underground copper mine. In the late 1970s medium-sized mines accounted for close to 10 percent of copper output. They were owned by Chileans and some foreign private investors. In the small mines, individual miners often paid the owner an agreed percentage of his own output—a sharecropping arrangement in mining. Since 1960 a government agency has provided various forms of help to medium and small mines as well as buying and processing their output of ores.

Chileans long resented the foreign ownership of their major mines, which held the bulk of the country's most valuable natural resource. The government received funds via taxes and in other forms for investment in other sectors of the economy, but Chileans had little say in regard to development or management. In the

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first half of the 1960s production from the large mines nearly stagnated. In 1964 the incoming Frei government started a series of negotiations with the United States owners of the large mines for a big expansion program and greater participation in production and marketing by Chile, a program known as Chileanization. The expansion program resulted in a major increase in production capacity by the early 1970s, including the opening of two new large mines in 1971. The government acquired part ownership in the large mines in the late 1960s—in the case of El Teniente, 51 percent. In 1967 taxes on the large mines were adjusted, and in 1969 a windfall profits tax was imposed, which was triggered whenever the world price for copper exceeded a specified level. By 1970 Chile was obtaining 83 percent of the earnings of the large mines as well as participating to a degree in planning and operations.

In 1967 the State Copper Corporation (Corporación del Cobre—CODELCO) was created to supervise the large mines and the marketing of copper. In 1971 the government nationalized the large mines and processing facilities. CODELCO, as a holding company, took over the mining, processing, and marketing of copper, becoming the largest copper company outside of the Soviet Union. CODELCO's staff was regarded as generally competent, but at times it was considered inadequate because of the loss of personnel during periods of turmoil and austerity. In 1976 overall planning and policy for the copper industry was taken away from CODELCO and lodged in a national copper commission. In the late 1970s CODELCO's administrative structure was reorganized to streamline operations and improve its efficiency as a commercial enterprise.

After the 1973 coup the settlement of nationalization claims with the former United States mine owners took a few years. The government continued to operate the large mines, and in 1982 officials appeared intent on keeping major copper facilities in the public sector. During the late 1970s CODELCO and the government lacked sufficient investment funds to maintain production adequately, however. Some smaller mines or the government's investment in them were sold to private investors, including foreigners. Joint projects were also arranged with foreign firms for development of large mines and for processing facilities. A new mining code scheduled to take effect in 1982 was designed to aid the effort to encourage investment in small and medium-sized mines.

Chilean copper ores are relatively high grade, placing the country among the lowest cost producers. The bulk of copper output is for export; domestic manufactures of copper are small. Since 1960 the trend has been toward exports of pure copper through expansion of refining facilities. By 1980 refined copper was 76 percent of total production. Output data from mines are expressed in tons of

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pure copper. Ore production was 438,000 tons in 1950, 532,000 tons in 1960, and 692,000 tons in 1970; in 1976 production exceeded 1 million tons for the first time, and in 1980 it nearly reached 1.06 million tons. In 1980 exports were valued at US\$2.2 billion, 46 percent of total exports. Before the mid-1970s copper exports had supplied about 70 to 80 percent of total exports. The heavy reliance on a single, primary commodity—the international price of which changed sharply and quickly—exposed the economy to strong cycles.

Molybdenum, gold, and silver were by-products of copper mining. The amount of gold and silver recovered was small, but molybdenum was an important export. Officials estimated reserves in the neighborhood of 2 million tons, second only to those of the United States. Production in 1979 was nearly 13,600 tons, and exports approached US\$200 million. Small amounts of other nonferrous metals, such as lead, zinc, and manganese, were also produced.

The country had large reserves of iron ore. Proven reserves were about 900 million tons, and additional probable reserves were 2 billion tons. In the late 1970s ore capacity in the mines was about 15 million tons, but production was only slightly over 8 million tons annually. Mining and processing were handled primarily by a state-owned integrated steel complex established in 1946. In the late 1970s the steel complex produced over 600,000 tons of steel, encompassing a variety of products for the domestic market and export. In 1978 a 3.5 million-ton pellet plant was completed to remove ore impurities. The pellets and the bulk of the iron ore mined were exported to Japan. By the late 1970s the iron and steel complex found foreign suppliers underselling them in the domestic market.

The nitrate industry, which had figured so prominently in the country's history in the early 1900s, continued its long-term decline. In 1979 gross production was 620,000 tons. Synthetic substitutes could be produced at a lower cost. The public sector mines were kept operating at a loss to sustain employment. In the early 1980s investigation was under way to increase the recovery of such by-products as lithium and boric acid to lower costs. A number of other minerals were produced, such as iodine, glass sand, clays, and rock, as well as raw materials for cement.

Industry

Over the past 100 years industry has become second only to commerce as an important sector of the economy. In 1980 industry contributed 21 percent of GDP; public utilities added another 2 percent. Nonetheless, the sector had not expanded and developed either as officials had anticipated or as the early signs had suggested. Chile's economic history had been studied and argued by economists to determine why the early potential had not been

realized. The economic arguments had an impact on political developments. In 1982 considerable controversy continued over the appropriate policies.

By the late 1800s industry had made considerable inroads in Chile. In addition to manufacturing such consumer goods as food, clothing, and footwear, the country produced locomotives, mining equipment, and armaments. Expansion continued until 1930, stimulated in part by the inability to obtain imports during World War I. Capital goods industries lagged behind consumer goods industries after 1900 because of relatively less protection and the shift of ownership of the major mines to foreign companies. By 1930 Chile was considered quite far advanced industrially compared with other developing countries, although the bulk of manufacturing was along the traditional lines of consumer goods.

Chile was among the hardest hit countries of the world by the depression of the 1930s. The impact of the depression strongly affected political thinking and government policy for the next forty years (see *Growth and Structure of the Economy*, this ch.). In broad terms, government policy until 1974 was interventionist; restrictions on foreign trade were steadily increased to try to correct structural problems in the domestic economy and lessen exposure to fluctuations in international markets. Although policy vacillated somewhat with changing governments, the trend was toward autarky in industrial development.

Part of government intervention to expand manufacturing and mining was direct. CORFO was created as a quasi-public development agency in 1939 and helped a number of industrial firms get started. Formation of national companies in oil, electric power, various types of mining and processing, and steel were additional examples. By 1970 state-owned enterprises accounted for about 12 percent of manufacturing output and about 28 percent of industrial assets.

Indirect measures included investment incentives and regulation of foreign trade and the exchange rate. The effect was to encourage industries manufacturing substitutes for imports and to discourage exports; to encourage capital-intensive processes; and to create inefficient, high-cost producers that were protected from import competition. Consumer goods industries were relatively well developed before 1930. After 1930 industries producing intermediate goods—such as textiles, chemicals, metals, and some parts for consumer goods—expanded considerably.

By the late 1960s nearly half of the gross value of manufacturing consisted of final consumer products, and perhaps 15 percent more consisted of intermediate goods destined for consumer goods production. Domestic manufacturing produced about 90 percent of the total supply of manufactured consumer goods but only about 15 percent of manufactured capital goods. Moreover in many lines of production, one, two, or three firms dominated the

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market. The various policy measures shaped the manufacturing sector to meet consumer demand with little regard for market size, efficiency, or comparative advantage. The result was an industrial plant with underused capacity producing too wide a range of products for a small market and kept afloat by subsidies and the excessive prices that could be charged because of import restrictions.

The Allende regime did little to change the structure of industry but sharply altered ownership. The intent was to capture profits formerly accruing to private foreign and domestic investors for transfer to labor and for public investment in industrial expansion. By September 1973 over 300 industrial firms had been taken into the public sector. Manufacturing output and employment rose sharply in 1971, partly because of existing unused capacity. Value added in manufacturing increased only 2.8 percent in 1972 and fell 6.5 percent in 1973 because of declining real wages of workers, work stoppages, materials and parts shortages, strikes in transport and commercial sectors, and the exodus of technicians and managers. Private investment fell off precipitously, largely because of uncertainties about the future. Public sector enterprises produced negligible investable income because of their expanding work forces, increasing wages, and price controls—a combination of factors that meant that many firms required subsidies. The limited public sector investment that took place was financed by the creation of money.

The government moved rapidly after 1973 to auction off and sell the numerous industrial firms that had been absorbed into the public sector. Yet the public sector remained large. By early 1977 the government, through firms in which it held 50 percent or more of the shares, accounted for over 80 percent of the net worth of the country's 100 largest nonfinancial enterprises. The state controlled all of the top ten businesses and twenty of the largest twenty-five. By 1980 the government's share of the net worth of the 100 largest companies was 71 percent. Not all of these were industrial companies, however. Observers expected the public sector to remain large because of the activities of the national companies in copper, iron and steel, electricity, coal, and oil.

The public sector industrial companies that had been sold to private investors were mainly those held by CORFO after the expropriations of the early 1970s. Few were large or especially profitable. Their sale to private investors, both domestic and foreign, resulted in relatively little cash but substantially reduced the subsidy CORFO needed to keep them operating. Critics of the government viewed the sales as a reconcentration of the control of economic assets by the elite because they were the only domestic buyers who could manage the purchases (see *The Elite*, ch. 2). Critics questioned the extent of government concern about the dangers of excessive concentration and the efficacy of

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such safeguards as antimonopoly decrees in an open economy. It remained to be seen how officials viewed concentration as a social problem and a factor affecting income distribution.

The Pinochet government's economic planners sought a return to an open economy with nearly free play of market forces, which some economists ascribed to the period before 1930 when industrial development was relatively strong. A flexible exchange rate policy was adopted that stimulated exports, particularly initially when domestic demand was weak. Tariffs and other restrictions on imports were greatly reduced. By 1980 tariff levels were mostly at the 10 percent level; automobiles were the main import retaining substantial duties. Price controls were gradually eliminated, and foreign investment was encouraged through liberal policies and incentives.

In late 1973 the state of the economy was chaotic. The 1974 drop in copper prices and the financial crisis of 1975 further compounded the problems in the manufacturing sector. Industrial output encountered sharp declines in the depression of 1975. During the rest of the 1970s recovery was strong; the index of industrial production increased by at least 8 percent a year between 1976 and 1979. In 1979 the index slightly exceeded that of 1970 but was still below the exceptional year of 1971. The growth in industrial production slowed in 1980 and 1981; in the latter year it was estimated to be between 2 and 3 percent.

Industrial investment recovered slowly, however. Excess capacity, a shortage of long-term credit, and uncertainties restrained domestic private investors. The government's austerity program and continuing debt burden limited public investment. In many areas, including copper mining, public investment failed even to maintain existing capacities. Together, public and private investment stood at 11.2 percent of GDP between 1974 and 1979, considerably below the expectations of government planners.

Officials counted on substantial foreign investment for industrial development; a 1974 foreign investment law established nondiscriminatory treatment of foreign investors. By the end of 1981 over 700 foreign investment projects had been approved, entailing an eventual US\$6.5 billion of funds. United States companies were committed to provide the bulk of the funds. Actual investment expenditures had only reached about US\$1.2 billion at the end of 1981. Raising the level of investment, from both foreign and domestic sources, was a critical ingredient for the success of the government's plan for economic growth. As of early 1982, however, low tariffs and the small Chilean market had led to little foreign investment in the industrial sector. Some 85 percent of the value of foreign investment projects approved at that time were in mining. This reluctance of foreigners to invest in Chilean

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industry was a major disappointment to government planners.

Industry remained heavily concentrated in the Santiago area. Small shops and artisan activities provided the bulk of employment, but a relatively small number of larger plants accounted for the bulk of value added. Food processing and beverages remained the most important component of manufacturing. Growth in output during the 1970s was greatest in basic nonferrous metals, glass, tobacco products, beverages, petroleum refining, and wood and paper products, largely reflecting development of the country's resource base. Much of this growth was for export markets. Industrial exports rose rapidly, from US\$103 million in 1973 to some US\$1.6 billion in 1980, suggesting that many manufacturers were adjusting to the new competitive situation, although data were inadequate for an evaluation.

Other manufacturers, however, did not fare as well. Bankruptcies of industrial firms increased steadily between 1974 and 1981. In the early part of this period, bankruptcy affected small firms unable to compete with the rising volume of low-priced imports. By 1981, however, bankruptcy also affected large firms, such as the Viña del Mar Sugar Refining Company (CRAV) and some of the nation's largest textile manufacturers. The burden of foreign competition forced Chilean industry to pursue efficient, cost-cutting management in order to remain solvent during the late 1970s and early 1980s.

Banking, Monetary, and Fiscal Policy

By 1982 the nation's financial system was relatively well developed and expanding. Banks constituted the bulk of the system. The Central Bank of Chile (Banco Central de Chile) was created in 1929, and its authority and responsibilities progressively increased. The largest and most important commercial bank was the State Bank of Chile (Banco del Estado de Chile—BECH), an autonomous government agency created in 1953 that acted as repository for state funds, as a commercial bank, and as a savings institution with departments for long-term loans. There were a number of private Chilean banks, the largest of which was the Bank of Chile. In 1981 there were seventeen branches of large international banks and sixty-two banking institutions in all, the vast majority being commercial banks (a 1981 law eliminated the long-held distinction between these and development banks). The rest of the financial system largely consisted of insurance companies, a savings and loan association, a stock exchange (operating in two cities), a number of finance companies and, beginning in 1981, a number of so-called pension fund administrators that held funds generated by the new private social security system.

Before 1974 the Central Bank had served as the main credit channel for the growing public sector and its expanding deficits, thereby largely weakening the bank's ability to control the



Copper extraction at refinery in northern Chile
Courtesy Ray Witlin/World Bank

amount or influence the direction of credit in the economy. The high rate of inflation, fueled by the public sector deficits, outstripped the legal ceilings on interest rates, causing them to be negative much of the time. Credit was subsidized for those firms with access to the formal credit market. The system penalized borrowers who had to turn to the informal credit market, and many, particularly small farmers and artisans, had few if any credit sources. The system rewarded conglomerates and firms with links to banks, fostering concentration. The Allende government nationalized the important banks at least in part to break up the web of concentrated power. During the Allende years public sector deficits and inflation greatly increased, discouraging the use of bank accounts. By the time of the coup the banking system was in a shambles like the rest of the economy.

The Pinochet government essentially had to rebuild the banking system. A delicate balance had to be maintained between reducing inflationary expectations to increase people's willingness to hold cash balances while expanding credit as the economy required. The system had to be responsive to the economy's need within a framework of the new free market orientation while also being responsive to broad, normal, monetary controls. The difficulties were compounded by the high inflation rates and large

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debts inherited from the Allende years and the austerity program and depression of 1975. Until the late 1970s, for example, there were simultaneously shortages of long-term financing and a lack of borrowers for the long-term funds available because of uncertainties about development in the future.

The military authorities quickly began, after assuming power, the return of nationalized banks to private ownership. A monetary council was formed to establish policy for matters affecting the financial system, and the Ministry of Finance was strengthened to control money variables. Central Bank authority over financial institutions was increased, and its lending was restricted to the central government and financial institutions. In 1979 there was talk of establishing a legal limit on Central Bank credit to the government. In order to broaden bank services in the interest of competition and economies of scale, restrictions that forced banks into specialized activities (such as limiting commercial banks to only short-term loans and deposits) were eliminated. Legal limits on interest were removed, and rates were progressively freed. The diminishing public sector deficits were mostly financed by noninflationary means.

The sharply declining rate of inflation restored the confidence of depositors. The change since 1976 to public sector surpluses permitted a growing proportion of credit, both domestic and external, to go to the private sector, and it built greater confidence (while reducing inflationary expectations in a population sensitive to monetary variables) and allowed credit expansion. Bank deposits and loans increased strongly, but uncertainties and the lack of liquidity greatly limited the funds available for medium- and long-term credit. The authorities moved cautiously in reducing reserve requirements and other curbs on the expansion of credit. Interest rates were extremely high for several years, declined sharply in 1979 and 1980, and again rose dramatically in 1981 because of tight monetary conditions and strong demand for credit. In that year some 60 percent of all bank credit was issued in domestic currencies, while 40 percent was based in lower cost foreign credit markets.

There was widespread sensitivity inside Chile to a reconcentration of economic power by a small elite through links between banks and industrial and commercial firms. Critics charged that the government sales of formerly nationalized firms largely went to (and in instances were assisted by elite members in the government) banks controlled by this powerful elite. Officials acknowledged a problem but indicated that competition and antitrust laws would protect the general interest.

In late 1981 some of these concerns came to fruition as the government's superintendent of banks intervened in eight financial institutions, including the nation's second largest bank, to prevent possible failures that, it was feared, could seriously under-

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mine the entire financial system. Four of the institutions were subsequently closed, and regulations on the generation of credit within the financial system were further tightened by the Central Bank.

Exchange rate policy has always been important in Chile because of the high rate of inflation since the 1930s and the economy's extensive dependence on imports and exports. Between 1930 and 1974 policy generally favored a fixed exchange rate over long periods until differences in rates of inflation between Chile and its major trading partners required large devaluations. Extensive controls and at times multiple exchange rates were instituted to postpone the devaluation. The exchange rate policy contributed considerably to the distortions and inefficiencies that characterized the economy. Immediately after the coup in 1973 the currency was devalued by nearly 70 percent. Soon thereafter a crawling peg exchange rate policy was adopted, in which small frequent adjustments were made relative to the United States dollar. The adjustments were primarily related to the rate of inflation. In 1975 the name of the currency unit was changed from escudo to peso (for value of the peso—see Glossary; see Introduction). In mid-1979 the peso was again fixed, at a rate that prevailed three years later, in an effort to slow inflation and minimize the cost of servicing the growing foreign debt. In early 1982 the fixed peso was widely blamed for a growing deficit in the country's trade balance, however.

Between 1951 and 1970 the consumer price index rose at an average rate of over 32 percent a year, perhaps the highest sustained rate in the world. After 1970 inflation accelerated, but it became difficult to measure because of the extensive price controls that forced an increasing amount of trade into the black market. Various estimates were made by qualified economists to try to reflect better than the official consumer price index the actual rise of prices. In 1971 the official consumer price index rose 22 percent, and some nonofficial estimates ranged above 50 percent; in 1972 the respective estimates were 163 percent and 254 percent. In 1973 the economic system was disrupted in nearly all sectors. In some months prices were increasing by 20 percent (an annual rate exceeding 1,000 percent), but for the year as a whole the price increase was on the order of 500 percent.

The lack of price stability after 1930 was primarily caused by the large public sector deficits. The government's large demands on domestic credit sources largely eliminated the possibility of less inflationary deficit financing. A priority goal of the Pinochet government was to control inflation, which implied a sharp reduction of public sector deficits. Part of the problem of reducing deficits was that price controls had to be removed and the subsidized prices of public sector goods and services raised, which would automatically increase prices. The government took the middle

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position of decontrolling prices and raising the cost of goods and services from the public sector in stages to ease the adjustment for the population. It was a large shock to consumers but less severe than an abrupt freeing of prices.

After 1973 the price index began to fall. The December-to-December change of the official consumer price index in 1974 was 376 percent; in 1975, 341 percent; in 1976, 174 percent; in 1977, 63 percent; in 1978, 30 percent; in 1979, 39 percent; and in 1980, 31 percent.

After 1973 major changes were made in fiscal policy. In 1974 tax reforms were instituted: a 20 percent value-added tax replaced a cascading sales tax that had long been in use; undistributed corporate earnings were taxed for the first time; a number of tax exemptions and loopholes were removed; business assets and liabilities were indexed to inflation; and the assessed value of agricultural land and real estate was again increased following an even larger increase in 1973. In addition rates for several taxes were increased, and tax administration and collection were improved.

In the late 1970s indirect taxes accounted for about two-thirds of revenue, and direct taxes accounted for about one-third. The value-added tax was the most important. In 1977 it supplied 35 percent of all revenues, followed by income tax with 18 percent, excise tax with 14 percent, the copper tax with 12 percent, customs duties with 10 percent, and minor taxes with the remainder (11 percent). In 1980 tax revenues amounted to 27 percent of GDP.

In real terms, expenditures in the public sector (net of debt servicing) declined 6.2 percent from 1969 to 1979 and 17.8 percent from 1974 to 1979. In 1969 public expenditures represented 36.3 percent of GNP, increasing to 39.6 percent by 1974 and then decreasing to 30.3 percent in 1979.

The decline, however, was not uniform. Expenditures for wages and salaries actually increased 40.9 percent from 1969 to 1979, the largest salary increases going to defense with a 170 percent increase, followed by education (44 percent), and general services (41 percent). Expenditures for goods and services increased 26.1 percent, the largest increases going to defense (103 percent). Transfer payments had a net increase of 18 percent from 1969 to 1979. Transfer payments increased 122 percent in health and 11 percent in social security but dropped significantly in industry and commerce (down 45 percent from 1969 and 464 percent from 1974) and in transportation and communications (down 1,506 percent from 1969), reflecting the withdrawal of the government from these activities. By contrast, transfer payments to the private sector increased 84 percent from 1969 to 1979, including refunds on the value-added tax to exporters and educational subsidies. Overall, 1979 expenditures in direct public in-

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vestment were down 33 percent from 1969 and 57 percent from 1974; there were declines in housing and in transportation and communications. Indirect public investment, including loans from the social security system, agrarian reform activities, and CORFO were down 50.5 percent compared with 1969.

Generally, the rubric of social services (including education, health, and social security) continues to be the largest category in the budget, accounting for over 50 percent of central government expenditures. These expenditures increased significantly during the late 1970s after a sharp decline that accompanied the austere budgets of the mid-1970s. Economic services, which had been the second largest category in the budget, with between 25 and 30 percent, dropped to between 15 and 20 percent. General services increased significantly from 13.5 percent in 1969 to 26 percent in 1979. The largest increase within this category was for defense, which went from 6.7 percent in 1969 to 12.7 percent of the total budget in 1979.

After 1973, budgetary and administrative controls over public sector expenditures were greatly strengthened. A monetary council consisting of the top economic officials establishes the overall budget and its source of funds. In 1975 the Ministry of Finance was given final authority over nearly all spending and financing decisions, and state companies were barred direct access to Central Bank credit. These measures helped in the turnaround of the country's fiscal situation.

Eliminating the inflationary financing from public operations was critical to the military government's objectives of reducing aggregate demand and stimulating growth with price stability. By 1976 the public sector achieved a modest surplus, but not until 1979 did the central government budget achieve a surplus of about US\$346 million. In 1981 central government expenditures were budgeted at US\$8.2 billion (see table 5, Appendix A).

Foreign Trade

Since the 1930s a prime objective of government policy has been to reduce the economy's vulnerability to the sharp price changes of its primary export—copper. Government policies effectively reduced the relative importance of foreign trade in national income from its quite high levels before 1930, but the policies were ineffective before 1975 in lessening the country's dependence on a single export of a primary commodity. Before 1975 copper usually accounted for 70 to 80 percent of export earnings. Since the mid-1970s copper output changed by only small amounts, and the international price generally remained low. Copper prices rose sharply in 1979 but dropped markedly in 1981 and in early 1982 stood at their lowest level since World War II. Copper's share of total exports declined significantly from historic levels and in 1981 stood at about 43 percent.

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Between 1975 and 1980 exports increased at an average rate of 26 percent a year. The bulk of this increase was in nontraditional exports, most of which were manufactured products (see table 6, Appendix A). The rapid growth of new export products was largely the result of the government's flexible exchange rate policy and other measures to open the economy, although the fall in demand during the recession of the mid-1970s forced some firms to seek foreign markets to remain in business. The continuing expansion in 1980 of nontraditional exports was read by many observers to mean that Chilean firms had adjusted to competitive conditions and that finally the economy was diminishing its vulnerability to changes in international copper prices. In 1981, however, mineral prices depressed by weak international demand and a fixed exchange rate that had resulted in an overvalued peso led to an 18 percent decline in the value of Chile's exports. In 1980 the United States bought 12 percent of Chile's exports; Japan, 10 percent; West European countries, 41 percent; and Latin America (mainly Brazil and Argentina), 23 percent.

Between 1976 and 1980 imports increased at an average rate of 44 percent a year. Unfortunately, much of the increase was caused by higher import prices, particularly for oil. The value of fuel imports increased 100 percent between 1978 and 1980—almost entirely because of higher prices—and fuel imports accounted for nearly 17 percent of total imports in 1980 (see table 7, Appendix A). The combination of foreign exchange constraints and higher international prices required a contraction by nearly a third of the volume of imports between 1973 and 1976 although a lesser decline in value. The easing of the country's balance of payments position after 1976 allowed imports to expand in terms of both value and volume. The progressive reduction of tariffs and other restrictions on imports after 1973 saw a rapid increase of consumer goods, many of which were appearing for the first time. Imports of capital goods picked up substantially in 1979 and 1980, although at a slower pace than for consumer goods. In 1981 the growth of the value of imports slowed to just under 10 percent. In 1978 the United States supplied 27 percent of Chile's imports; Japan, 8 percent; Latin American countries, 29 percent; and European countries, 19 percent. Brazil and Argentina were the main sources of imports in Latin America.

Between 1930 and 1973 high tariffs and many barriers had been erected to control imports, partly to promote and protect import substitution in the domestic economy and partly as a result of the country's frequent balance of payments crises. In 1973 the average nominal tariff was 94 percent of the import value. The Pinochet government immediately began a phased reduction of import barriers. By mid-1979 nearly all tariffs and duties had been reduced to a uniform 10 percent level in accordance with the schedule. Automobiles and some components were the pri-



*Valparaíso is Chile's largest port.
Courtesy PROCHILE*

mary exception, retaining a substantial tariff to protect local assembly agreed to by the government in the early 1970s. Most nontariff barriers had also been removed. In response to the worsening trade balance in 1981, however, measures were being considered that would raise tariffs against imports, particularly foodstuffs, that are determined to be directly subsidized in the exporting country.

Balance of Payments

Chile has suffered many severe balance of payments crises, frequently brought on by a drop in foreign exchange earnings because of a fall in international prices of copper, that have left insufficient foreign currency to cover debt service and the country's import needs. The crises have often been surmounted by debt rescheduling with foreign creditors and an internal stabilization program. This process was repeated in the late 1960s. When the Allende government came to power, the country's balance of payments position was good, and international reserves were high. In 1971 the reserves were used to finance a large volume of imports and an exodus of foreign and domestic capital. The balance of payments continued to deteriorate in 1972 and 1973 as debt service was suspended and net international reserves were increasingly negative.

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The balance of payments deteriorated further after the coup. In 1974 the continued outflow of private capital more than offset an improvement in the current account balance. By early 1975 rapidly falling international copper prices and large debt service payments provoked another financial crisis. Officials imposed a severe austerity program. Nonetheless the fall in copper earnings and increased interest payments on the foreign debt increased the current account deficit to a record US\$491 million and pushed net international reserves to a negative US\$563 million in 1975.

An initial short-term goal of the military government was to ease the balance of payments constraints and improve the country's net international reserve position. The efforts were successful in 1976 when increased foreign exchange earnings from copper and nontraditional exports combined with reduced imports to produce a current account balance of US\$148 million, the first positive balance since 1956. The current account balance rapidly deteriorated, however, between 1977 and 1981 but was more than offset by the increasing inflow of foreign capital attracted by the high domestic interest rates and the prudent management of the economy (see table 8, Appendix A). By early 1982 net international reserves, which had been negative before 1978, had grown to a positive US\$3.7 billion.

The improvement in the balance of payments after 1976 resulted largely from increases in the foreign debt. At the end of 1981 Chile's foreign debt was US\$13.7 billion, of which US\$5.1 billion was the external public debt including that guaranteed by the public sector. After 1975 government policy limited the rise of the external public debt, and that figure subsequently declined while private external debt soared under the liberalized provisions in Article 14 of Chile's foreign exchange law. During 1981 private external debt rose by nearly US\$4 billion to a total of US\$8.6 billion. Preliminary official figures for that year showed a rise in the cost of debt service (public and private) to US\$3.2 billion, a figure that represented over 80 percent of Chile's export earnings in that year. This situation, reflecting the danger arising from a fall in export earnings within an economy burdened by high foreign debt, suggested to some economic participants and observers alike in mid-1982 that another balance of payments crisis could be developing unless a number of factors, including copper prices, soon turned favorable.

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Many books and articles have been written on Chile's several decades of experiments in economic development. A recent and comprehensive one is *Chile: An Economy in Transition*, which

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was written by a World Bank team headed by Fred D. Levy. Jere R. Behrman's *Foreign Trade Regimes and Economic Development: Chile* examines the interaction between policies focused on foreign trade and economic development into the 1970s. *The Growth and Structure of the Chilean Economy: From Independence to Allende* by Markos J. Mamalakis and *Allende's Chile: The Political Economy of the Rise and Fall of the Unidad Popular* by Stefan De Vylder provide background for the reversal of economic policies in the mid- and late 1970s. An article in the *Economist* entitled "Chile's Counter-Revolution: A Survey" (February 2, 1980) briefly touches on many economic developments since 1973. The Inter-American Development Bank's annual report, *Economic and Social Progress in Latin America*, contains a brief review on Chile. Chile's government agencies publish statistical data, such as the *Boletín Mensual* by the Banco Central de Chile and the annual *Compendio Estadístico* by the Instituto Nacional de Estadísticas. The journal *Colección Estudios CIEPLAN*, from Santiago, offers well-researched articles that are often critical of government policies. (For further information see *Bibliography*.)

Chapter 4. Government and Politics



*Statue of Christ of the Andes, commemorating peaceful
demarcation of Chile's border with Argentina*

IN MID-1982 the Republic of Chile continued to be ruled by a military government that had come to power as the result of a violent coup d'etat on September 11, 1973. The nature of the military regime had, however, changed significantly during the intervening years. Initially led by the collegial leadership of the commanders of each of the three armed services and the carabineros (national police) embodied into a military junta, the Chilean regime gradually evolved into a personal dictatorship led by the commander in chief of the army, President Augusto Pinochet Ugarte. The 1980 Constitution, which capped a protracted process of institutionalizing the military government, named Pinochet as president of Chile from 1981 to 1989, and left open the possibility of his serving a subsequent eight-year term in office. This and other provisions of the 1980 Constitution were in marked contrast to the liberal democratic traditions that, before 1973, had been the hallmark of the Chilean political system.

Thus in less than a decade Chile had been transformed from an exception to the Latin American political legacy of *caudillismo* (strongman rule) to becoming a virtual archetype of the modern *caudillismo* found throughout southern South America in the early 1980s. The new Constitution, which replaced the constitution of 1925, did foresee, nevertheless, a gradual return to a modified form of democratic government between 1990, when a partially elected bicameral National Congress would resume legislative functions, and 1997, when a popularly elected chief executive would return to the presidential palace. Marxists would continue to be banned, however, from positions of political influence.

A significant portion of the population initially supported the September 1973 coup, which capped a year of political and economic chaos bordering on anarchy (see Appendix B). As the extent of the post-coup repression, the length of the regime's planned stay in power, and the hardships associated with its economic policies became known, however, support for the military regime decreased during its first three years in power. After 1976 improving economic conditions again brought support from a wider segment of the population. In mid-1982 economic reversals were again undermining popular support for the Pinochet government. The regime continued to benefit from the passive support of a considerable percentage of the population that, regardless of their disapproval of military rule, preferred the status quo to the chaotic conditions of early 1973—conditions that were depicted by government spokesmen as the only alternative to ongoing military rule.

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Chile's traditional vehicles of democratic political culture—political parties, labor unions, students, and neighborhood organizations—were subjected to severe repression by military authorities after 1973. Many of these organs persisted into the early 1980s, nevertheless, either in exile, as an underground opposition, or as open critics of the military regime, albeit to a limit defined by the level of repression applied by the government. In a unique position of relative immunity from official repression, the local hierarchy of the Roman Catholic Church became the most effective voice of those opposed to the political and economic conditions in Chile.

As in the domestic arena, fervent anti-Marxism permeated the regime's foreign policy. In 1982 Pinochet continued to see his government as a bulwark against international communism. This ideological turnabout from the orientation of the previous government of Salvador Allende Gossens and, more importantly, the record of the military government in the area of human rights, resulted in Chile's diplomatic isolation during the mid- and late 1970s. International economic relations fared much better, however, as lowered inflation rates and the liberalization of trade and foreign investment regulations attracted an increasing amount of foreign trade and capital investment. During the early 1980s foreign capital continued to enter the country, and Chile's international isolation eased somewhat; neither process proceeded as rapidly as government planners had sought, however.

System of Government

The Military Government

Ideology

Before 1973 the Chilean armed forces were perhaps the most professional and least politically oriented military establishment in Latin America (see *Position in Government and Society*, ch. 5). As a result the officers who seized control of the government in September 1973 carried relatively little ideological baggage with them, save a vehement anti-Marxism that had been reinforced by the chaos and intensification of social conflict during the 1970-73 regime of Allende. From its inception, the military regime has viewed itself as a crusader in the forefront of a struggle against the "Marxist cancer" that threatens not only Chile but the entire world. "Chile was one of the first countries in the world to abolish slavery," General Pinochet recalled shortly after the coup. "Now our country has broken the chains of totalitarian Marxism, the great Twentieth Century Slavery, before which so many bow their heads without the courage to defeat it. We are thus once again pioneers in Humanity's fight for liberation."

Nationalism is the fundamental political value evoked by Chile's military leaders. Marxism is described as an antinationalist, foreign



*President Pinochet (in white jacket) flanked in front row
by junta members (left to right) General Matthei,
Admiral Merino, and General Mendoza*
Courtesy John Enders

ideology despite the fact that in the decade before the coup, some one-third of the Chilean electorate had regularly voted for Marxist-led coalitions. The nationalism espoused by Chile's military leaders is most often associated with Diego Portales, a Chilean statesman of the early nineteenth century influential in institutionalizing Chile's stable political system by creating a strong presidency during the early years of the republic (see *Independence*, ch. 1). The regime often evokes the "spirit of Portales" in its frequent calls to patriotism and renamed the major government office building in Santiago after its nineteenth-century mentor. Another former leader sometimes cited as a nationalistic hero is General Carlos Ibáñez del Campo who, as president between 1927 and 1931 and again from 1952 to 1958, vigorously suppressed political opponents and increased the power of the executive branch (see *General Carlos Ibáñez' Authoritarian Regime, 1927-31*, ch. 1).

Anti-Marxist and nationalistic thought are accompanied by ideals common to the military profession, including respect for authority, adherence to hierarchy, and a sense of duty and morality. All these concepts became a part of the political and social thought of the military government but were never formulated into a precise ideology. A small but highly articulate group based in the Catholic University of Santiago—the Society for Defense of Tradi-

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tion, Property, and the Family, known as Integralists—were among the early conservative civilian supporters of the regime and came closest to incorporating the ideas of the military rulers into a concise social and political philosophy.

Integralist ideology sprang from a tradition among conservative Chilean Catholics that emphasized such values as the family, private ownership, and limited state interference in the economy and in the lives of individuals. Marxist notions of class conflict are rejected, as is liberal democracy, which is said to lead inevitably to a divisive pursuit of personal self-interests by politicians. Integralist thinking blames materialism and egoism associated with Western liberal democracy for the deterioration of modern life and proposes a return to a Thomistic concept of the "common good," to be determined by corporate interest groups in conjunction with an authoritarian central leader. Integralist ideologues, particularly Jaime Guzmán, were highly influential in the formulation of the philosophy of the regime in the drafting of such documents as the Declaration of Principles of the Chilean Government and the National Objective of the Government of Chile.

The Declaration of Principles, issued in March 1974, was the first official effort by the military government to define its guiding philosophy and political visions. The 1973 coup was declared to have "inflicted on communism the greatest defeat it has suffered in the past thirty years." A "naive democracy ...under the guise of pluralism" had allowed the penetration of "totalitarian Marxism," and therefore "Marxist parties and movements will no longer be admitted into our civil life." Antipolitical, corporatist philosophy is alluded to in the need "to assure the independence and freedom from politics of all intermediate groups between the individual and the State, especially the various federations formed by labor, employers, professionals, or students." These federations, commonly known as *gremios*, were seen as the bases for a future corporatist political structure. The Declaration of Principles also defines a minimal state role in society, though it reaffirms the need for centralized economic planning. Government is described as "authoritarian, impersonal and just" and bound to "drastically punish any outburst of disorder or anarchy." Finally, the military regime is described as transitional, promising at a future, unspecified date to "hand over political power to whomever the people may elect by a universal, free, secret, and informed vote."

The National Objective of the Government of Chile, issued on December 31, 1975, further defined a "new national political system" in which "political parties will have expression as currents of opinion, not as instruments to achieve and exercise power for personal benefit." It also stated that Chile should "construct a political-institutional system based on the Christian concept of man and society, [a process that] will require the harmonious

interplay of authority and freedom, and the selection of the best man for the tasks of government." The "new institutionality" promoted by the military regime was only defined gradually, however, between 1977 and the implementation of the 1980 Constitution (see "Institutionalization" and the 1980 Constitution, this ch.).

Critics of the regime have often labeled the Chilean government as fascist, but technically this label is not correct. Unlike European fascist countries in the 1930s, the Chilean government has tolerated certain forms of opposition, and it has made little attempt at society-wide political mobilization. Its efforts have been concentrated on political demobilization, and its few attempts at mobilizing progovernment support organizations have been halfhearted and largely unsuccessful. The two major regime-sponsored organizations of the 1970s—the party-like Movement of National Unity (Movimiento de Unidad Nacional—MUN), which incorporated women's and youth groups, and the labor-oriented National Union of Chilean Workers (Union Nacional de Trabajadores de Chile—UNTRACH)—became critical of the government shortly after their formation. Although the corporatist label is more appropriate, it also does not fully apply to Chile, for these corporatist kinds of organizations are neither extensive nor do they function effectively as organs of political representation. Military backers of the regime have, in fact, been reluctant to embrace the corporatist ideology of such civilian supporters as the Integralists. One foreign analyst calls the regime "semicorporatist," while another refers to "incipient corporatism." Less ambiguous labels commonly used to define the regime are military, authoritarian, and antidemocratic. The ideological definition is further complicated by the regime's pledge to return eventually to a kind of liberal democracy after a carefully controlled transition period. President Pinochet envisions a "new, authoritarian democracy... in the sense that it will possess a strong, vigorous authority."

The economic policies of the Pinochet government can also be considered in the context of the regime's ideology. The post-1973 economic model, developed by civilian advisers under the guidance of a group of free market economists associated with the University of Chicago and known as the "Chicago boys" was, after all, equally as revolutionary and controversial as the regime's efforts in the political sphere. Based on such principles of liberal capitalism as private property, the encouragement of foreign investment, and free competition within the marketplace, the economic policies pursued by the military government reversed a Chilean trend over the past several decades of increased state intervention in the production process, restrictions on foreign investment, and programs to equalize income distribution (see *Growth and Structure of the Economy*, ch. 3). The ideology of liberal capitalism often clashed with the authoritarian and corpo-

ratist ideology of the Integralists, however. Economic difficulties in 1981 and 1982 intensified criticism of the "economic model" and led to speculation that it would be modified in order to accommodate greater government intervention (see *Political Actors*, 1982, this ch.).

Government Administration

On September 11, 1973, the constitutionally elected government of President Allende was overthrown by a military junta consisting of the chiefs of the three armed services and the carabineros (national police), Army General Pinochet, Air General Gustavo Leigh Guzmán, Admiral José Toribio Merino Castro, and General César Mendoza Durán of the carabineros. The first official act of the Military Junta of Government was to issue Decree-Law 1, which named the junta as the sole executive, legislative, and constitutional authority. The 1925 constitution would be respected, it stated, "insofar as the present situation in the country permits." Although the constitution was never formally abrogated, its provisions were put aside repeatedly during the first seven years of military rule under a state of siege and after 1978 a state of emergency that was renewed every six months (see *The 1925 Constitution*, ch. 1; *Criminal Justice*, ch. 5). Decree-Law 27, also issued on September 11, formally dissolved Congress, and although the judiciary was left intact, it was purged of ideologically incompatible persons, as were other governmental bodies. The Office of the Comptroller General, before 1973 a powerful and independent body whose duties included overseeing the government budget and ruling on the constitutionality of laws, lost much of its clout that formerly had derived from its power, in conjunction with Congress, to impeach cabinet members. Military officers assumed all key positions, and a system of government evolved that systematized dictatorial rule. When it became apparent that certain decree-laws violated the 1925 constitution, the government issued a decree stating that its decree-laws superseded constitution law.

In addition to altering the form of government, Chile's military rulers considerably reduced the size and scope of government, both to fulfill a philosophy of limited government and to relieve fiscal burdens. Between 1974 and 1979 public expenditures fell almost 18 percent in real terms. Public employment was reduced by fully 20 percent between 1973 and 1980 at the cost of some 100,000 jobs, mostly in autonomous agencies and state corporations. The Development Corporation (*Corporación de Fomento de la Producción*—CORFO) was reduced most dramatically—449 of nearly 500 firms held in 1973 had been returned to the private sector by 1977, and its former staff of 6,000 had been reduced to 800. A notable exception to this trend to reduce government was in the armed forces, whose numbers increased from 60,000 in



La Moneda Palace, bombarded during the 1973 coup d'état, is once again the formal seat of government.

1973 to 92,000 by 1981 and whose budget expanded significantly in those years (see *Position in Government and Society*, ch. 5).

The President and the Military Junta of Government

General Pinochet was initially named President of the Military Junta of Government, but in June 1974 his title was changed to President of the Republic. Speculation that the presidency of the junta would be rotated among the four service chiefs thus ended as Pinochet consolidated his position as both chief of state and head of government. Whereas before June 1974 every government decision required collegial agreement among members of the junta, after that date Pinochet could make executive and administrative decisions unilaterally. Decree-laws continued to require the unanimous approval of the members of the junta.

The top leadership of the government was remarkably stable during the first eight years of military rule. Pinochet remained president and, according to the transitional articles of the 1980 Constitution, was to be so until at least 1989. Only one junta member was purged; in July 1978 General Leigh was replaced by Air General Fernando Matthei Aubel. In March 1981 Pinochet removed himself from the junta—thus clearly establishing his presidential position above that body—and appointed Lieutenant General César Benavides Escobar as army representative on the junta.

Because Chile's military rulers lacked experience in governing, they relied heavily on advisers—civilian and military, inside and outside the cabinet—in making government policy. Those outside the formal cabinet structure initially consulted with the military rulers on an ad hoc basis, but gradually these relationships became formalized into a number of advisory bodies. During the 1970s

these bodies were attached to the military junta, but as Pinochet consolidated his supreme power as president, the functions and loyalty of the advisers changed accordingly. By 1982 the most important advisory bodies reported directly to the president (see fig. 8).

The most significant body was the Presidential Staff (Estado Mayor Presidencial), which acted to coordinate the work between the various ministries and whose chief (General Santiago Sinclair in 1982) was one of the president's most important political advisers. The Presidential Advisory Committee was formed in 1981, in large part from what had been the Advisory Committee of the Military Junta. Consisting of some forty military and civilian employees, the Presidential Advisory Committee performs much of the technical work of composing legislation. The appointment of General Sinclair as its chief in 1982 suggested that the Presidential Advisory Committee may merge with the Presidential Staff. The Casa Militar consists of a small number of military officers who arrange the president's work schedule and accompany him at official functions.

In June 1976 the government appointed the members of the Council of State, a new advisory body that was formally constituted the following month. At the time, Pinochet called the Council of State "a first step towards the establishment of the future legislative organs." Meant to be representative of the highest functions of the government and different sectors of the organized polity, its eighteen members included two ex-presidents (Eduardo Frei Montalva refused to join), a former Supreme Court president, a former comptroller general, former commanding officers of each of the three armed services and the carabineros, a former minister of state, a former diplomat, a former rector at the University of Chile, former professors of economics and law, a practicing lawyer, and representatives of labor, business, women, and youth.

Although conceived of as the supreme consultative body to the president, in practice the Council has had no authoritative powers and on many issues has not been consulted or its recommendations heeded. The death of Gabriel González Videla and the resignation of Jorge Alessandri Rodríguez left no ex-presidents on the Council by 1981 and further diminished its prestige and influence. The National Security Council, mandated as a permanent advisory body to the president by the 1980 Constitution, began to function in 1981 with five military and two civilian members (see "Institutionalization" and the 1980 Constitution, this ch.).

The Cabinet

The initial cabinet of the military government contained two civilians and twelve military officers. By September 1974 three civilians were in cabinet positions. All were associated with eco-

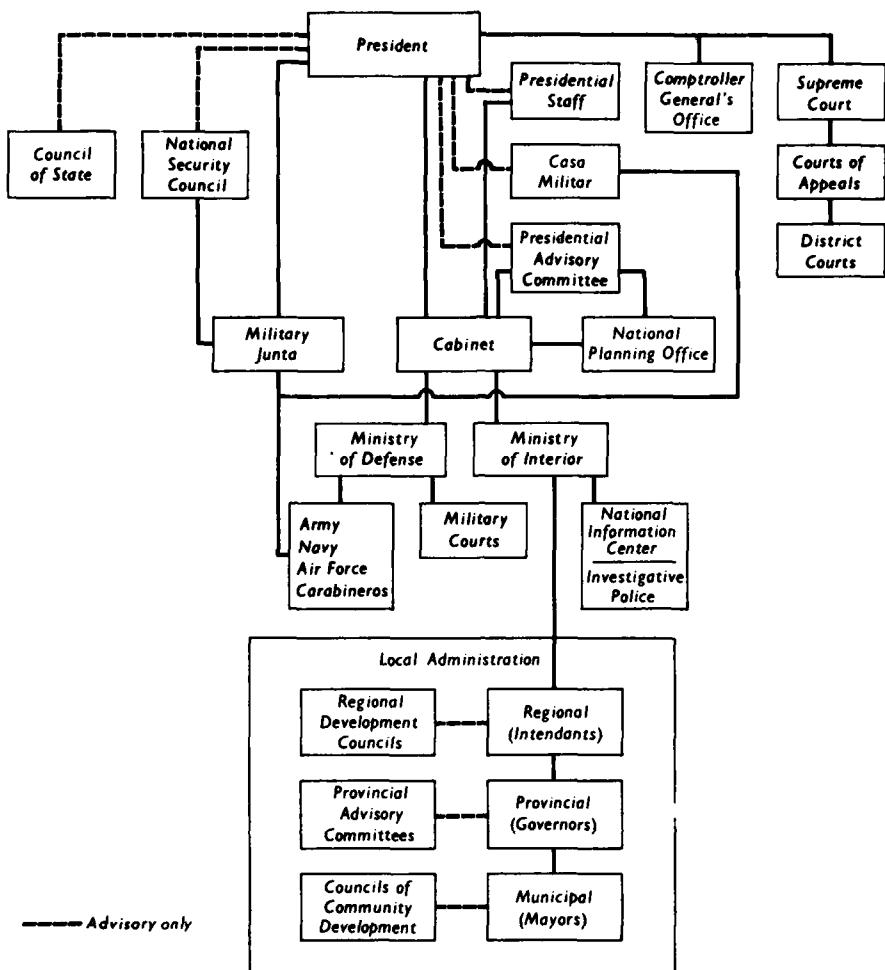


Figure 8. Governmental Organization, 1982

nomic affairs, for which the armed forces found they had little expertise. The composition of the cabinet continued to change frequently and gradually became more civilian in character, until by September 1978 twelve of fifteen members were civilian. By December 1981, however, civilian participation had dropped to eight, and a major cabinet reorganization in April 1982 left six civilians in the sixteen-member cabinet. Cabinet shuffles in 1981 and 1982 brought military men back into control over some economic ministries for the first time since 1974. While active and retired officers from all three services and the carabineros took cabinet positions, general officers from the army predominated in the posts occupied by military men. Wealthy business executives were prominent among the civilian posts; a woman was named

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minister of justice in 1977 and remained in that position in mid-1982.

The sixteen cabinet positions in early 1982 included the ministers of agriculture; defense; economy, development, and reconstruction; education; finance; foreign relations; health; housing and urbanization; interior; justice; labor and social welfare; land and colonization; mines; planning; public works; and transportation. Between 1974 and 1976 the cabinet had also contained a minister of economic coordination. During the early 1980s the director of the National Planning Office was promoted to cabinet-level status.

Before April 1982 there had been civilians in three major cabinet positions: foreign relations, interior, and finance. Only one, Minister of Foreign Relations René Rojas Galdames, survived the reorganization, which had come about as a result of ongoing economic difficulties. Sergio Fernández Fernández, who had held the post of minister of interior since 1978, was replaced by a general; Minister of Finance Sergio de Castro was replaced by another "Chicago boy," Sergio de la Cuadra. At the time of the reorganization it was widely believed that the post of minister of economy, development, and reconstruction would be upgraded to a position of equal influence with the minister of finance. The new minister of economy, development, and reconstruction—Brigadier General Luis Francisco Danús Corvián—had formerly been the director of the National Planning Office, where he had been known as being critical of some aspects of the free market economic model.

In mid-1982 military officers held four other important positions: minister of information, culture and tourism; secretary-general to the presidency; director of CORFO; and director of the National Energy Commission. These positions held ministerial status, although they were not formally within the presidential cabinet.

The Judiciary

In contrast to the other branches, the judiciary was left largely intact after the military coup, apart from a purge of about twenty judges. Upon its assumption of power, the junta promised to respect judicial authority. This promise was largely fulfilled, although provisions of the perpetual state of emergency regulations limited the extent of the authority (see Criminal Justice, ch. 5).

Judges are appointed by the president for life. Members of the Supreme Court are chosen from lists presented by the courts; its president is elected by, and from among, the thirteen members of the Supreme Court. The Supreme Court acts as the final court of appeals and has limited powers to rule on the constitutionality of laws. Next in line of authority are the eleven courts of appeals. They have original jurisdiction in cases of serious criminal vio-

lations and appellate jurisdiction in lesser cases. From 1973 to 1980 political cases were handled either by military tribunals or in specially appointed appeals courts. In early 1980 jurisdiction in political cases not involving a violation of the arms control law was transferred to lower criminal courts. District courts heard all minor criminal cases.

Before 1970 the Chilean judiciary had been highly respected for its independence and impartiality. The courts became a source of political controversy during the Allende regime, however, when the conservative judiciary actively challenged the legality of a number of radical reforms proposed by the executive branch. Under the military government, regime supporters pointed with pride to the independence of the judiciary; critics such as the United Nations Human Rights Commission, citing "a strong political influence in the appointment and promotion of judges," argued that the post-1973 judiciary lacked independence.

Under the state of siege provisions the courts were prohibited from reviewing decisions of the military courts or from challenging the right of the military to keep people incarcerated, but they were entitled to investigate the treatment of prisoners and the whereabouts of persons who "disappeared" after being arrested by authorities. The courts refused to entertain habeas corpus petitions until 1977, however, and after that date the courts' position in such cases differed from the government position in only a handful of cases. Critics cited the refusal of the Supreme Court to extradite three Chilean officials to the United States in connection with the murder of Orlando Letelier as further evidence of the lack of judicial independence under the military government (see Relations with the United States, this ch.).

Local Administration

Local government was also profoundly affected by the 1973 coup. Decree-Law 25 dismissed all mayors from their posts and abolished all municipal councils. The junta then appointed its own mayors. Many Christian Democrats who supported the coup were originally retained as mayors; by early 1974, however, most had been replaced by military officers or by more conservative civilians. The municipal councils were not replaced, but advisory bodies known as councils of community development were appointed by central government officials to assist the mayors.

The Pinochet regime also completely altered the administration of government at the intermediate levels. Prior to 1973 Chile was divided into twenty-five provinces, subdivided into eighty-seven departments. By 1980 these levels of government had been eliminated, and the nation had been redivided into twelve regions plus the Metropolitan Region of Santiago; these regions were subdivided into forty-two provinces (see table 9, Appendix A). Regional-level administration was headed by an intendant, who was assisted

by a regional development council; at the provincial level, governors were assisted by provincial advisory committees. These advisory bodies, like those at the municipal level, were made up of appointees drawn from specified interests or functions. In 1978 they were reported to exist only on paper in some cases and in no case to play a significant governing role. All posts were filled by central government appointees, and all intendants and governors were military officers.

Local government was administered through the Ministry of Interior. The system of local administration in effect from 1973 to 1982 was highly centralized and hierarchical, having mayors reporting only to governors, who in turn reported only to intendants. Regional and provincial authorities, according to seasoned Chilean observer, Thomas G. Sanders, "carry out decisions made by the presidency, the junta, advisers, and the bureaucracy in Santiago."

During the late 1970s and early 1980s, the National Commission for Administrative Reform made plans that, when implemented, would radically decentralize governmental services by turning over much of the responsibility for public affairs to the municipalities. The process began in 1981 with legislation to put primary and secondary education under the responsibilities of municipal authorities (see Education, ch. 2). Mayors, nevertheless, continued to be appointed directly by the president.

"Institutionalization" and the 1980 Constitution

The military regime in Chile has had considerable problems in establishing its own political legitimacy because of the nation's strong tradition of democratic government and because of the high level of political mobilization of the population prior to 1973. The government has sought to legitimize dictatorial military rule, first of all, through popular fear of returning to the political and economic chaos of the final months of the Allende government and in effect offering itself as the only alternative to chaos. Secondly, the regime has presented itself as temporary, stating that after a profound transformation of political, economic, and social life under military guidance (an interval that would "change the mentality of Chileans"), the political system would evolve into a "new democracy" that would be conducted peacefully and stably.

The timetable for a return to popularly elected government evolved slowly during the first seven years of military rule. Initially, most observers believed the dictatorship would be of short duration, but as the decade wore on, it became apparent that the military contemplated a lengthy period of rule. The first timetable was announced by Pinochet in a speech at Chacarillas to the national youth front in July 1977. It envisioned three stages: the recovery, to be completed by 1980 when the internal threat

would be eliminated and economic growth reestablished; the transition, to take place during the early 1980s when democratic institutions would gradually be reintroduced; and the consolidation during the late 1980s when an elected legislature would come into being that, in turn, would select a president. Although this plan was highly criticized as being too slow an evolution, the subsequent timetable that accompanied the 1980 Constitution provided for a still longer period of military rule—popular elections for a legislature were then scheduled for 1990, and it probably would be 1997 before the citizenry would again be allowed to choose a president. However, if the single, junta-chosen candidate presented to the voters in the 1989 presidential plebiscite were to be rejected, a contested presidential election was to be held in 1990. In 1980 leaders of the increasingly vocal opposition labeled the new Constitution, which capped the government's program to create a "new institutional system," as representing the "consolidation of the dictatorship."

The evolution of the "institutionalization" of the military regime began in October 1973, when the junta announced the appointment of a Constitutional Committee—composed of conservative lawyers led by Enrique Ortuzar Escobar but whose most influential member was Jaime Guzmán—to draft a new constitution. During the five years the commission spent on the constitution, its members also authored other documents that defined the regime's institutional goals. These included the Declaration of Principles, the National Objective of the Government of Chile, and four "constitutional acts," which were designed to revise the 1925 constitution and point to aspects of the "new institutionality" to be embodied in the new constitution (see *The Military Government*, this ch.). The first of these, promulgated by a decree-law on December 31, 1975, formally created the Council of State. The other three constitutional acts were issued on September 11, 1976. The second reaffirmed the Declaration of Principles as the framework for the formation of the new institutionality; the third set limits to traditional constitutional guarantees; and the fourth defined the prerogatives of the government to restrict constitutional freedoms even further under each of various kinds of states of emergency.

The Constitutional Commission submitted its draft version of the new constitution in September 1978. It was then passed to the Council of State, which proposed changes and submitted it to the governing junta in July 1980. The junta made considerable changes in the draft, and in August the final document was published and the national plebiscite on its ratification, to be held one month later, was announced.

The plebiscite held on September 11, 1980, the seventh anniversary of the coup, resulted in some two-thirds of Chile's 6.8 million citizens over eighteen voting "yes" on the new constitu-

tion. The government claimed this vote to be a popular mandate for its continued rule, as it had after the 75 percent "yes" vote it received in the January 1978 "consultation." The "consultation" had asked Chileans to "support President Pinochet in his defense of the dignity of Chile, and ...reaffirm the legitimacy of the government of the Republic to lead sovereignly the process of institutionalization of the country." Opposition figures noted, however, that both votes were conducted under a fear-inducing state of emergency; that proponents of "no" votes were harassed by officials and limited in their effectiveness by the short time span between the government announcements and the actual vote; and that the opposition possessed no funds for propaganda whereas the government spent freely in media promotions of "yes" votes. In addition the lack of voter rolls and the fact that presidential appointees supervised the counting of ballots left both votes open to accusations of fraud. Although opposition elements monitoring polling places in major cities reported no evidence of significant fraud in 1980, rural polling places were not monitored; and a final tally, indicating the vote totals at individual polling places, was never made public.

The 1980 Constitution contains 120 articles and twenty-nine transitional articles. The entire document, except for the articles that refer to the legislature and the popular election of the president, became effective on March 11, 1981; the transitional articles, which define the system of government under the junta's legislative and constitutional authority, were to be discarded in 1989. The transitional articles define a system of government very similar to that extant in 1980.

Transitional Article 25, however, established the National Security Council, which until 1989 will consist of Pinochet, the members of the junta, and the presidents of the Supreme Court and the Council of State. After that time this new governmental organ, which is designed to institutionalize the role of the armed forces in government, will consist of the president of the republic, the commanders in chief of the three armed services and the director general of the carabineros, and the presidents of the Senate and the Supreme Court.

Transitional Article 24 gives President Pinochet extraordinary powers, in the case where the country is witnessing internal disturbances aimed at disturbing the public order, beyond those he had previously held. In such an event he is empowered to arrest, arbitrarily, persons for five days and, in the case of suspicion of terrorist activities, for up to twenty days; censor or prevent the circulation of any new publication; prohibit entry into or expel from the country any person he deems to be harmful to the internal peace; and internally exile persons for up to three months. Furthermore, it is specified that the citizen affected by this regulation has no appeal to the courts to challenge the presidential

decision. During the first year of the new Constitution, liberal use was made of these extraordinary powers.

The transitional articles also state that Pinochet will be president for a term ending in 1989 and that the subsequent president, to serve until 1997, will be named by the junta and approved in a popular plebiscite. Pinochet would thus be allowed to serve this second eight-year term, although following the 1980 plebiscite he stated that his presidency would end in 1989. The new president will convoke popular elections in 1989 for congressional representatives who, three months after the election, are to assume legislative duties from the junta. Until that time the junta may also amend the Constitution with the unanimous approval of its members and a majority approval in a nationwide plebiscite.

The "new democracy" defined in the permanent articles of the 1980 Constitution varies considerably from Chile's pre-1973 governmental system. The term of office of the president is lengthened from six to eight years (immediate reelection is prohibited), and his powers are increased markedly from those stipulated in the 1925 constitution. For example, he may dissolve the Chamber of Deputies once during his term; he may decree certain kinds of law without congressional approval, and he is empowered to name a whole variety of officials, including about one-third of the Senate.

The powers of the bicameral legislature, to come into being in 1990, are limited. It may approve treaties and propose and approve most legislation, but it is restricted, for example, in its actions on the state budget. It may not alter revenue figures provided by the executive or raise state expenditures; it is empowered only to reduce expenditures. The term of office for representatives in the Chamber of Deputies is four years; all are to be elected simultaneously. The twenty-six popularly elected senators (two from each region) will hold office for eight years; half of these are to be elected every four years. All elected deputies and senators can run for reelection. The Senate members appointed by the president include all former presidents of the republic, two former Supreme Court justices, a former comptroller general, a former rector of a state university, a former minister of state, a former commander in chief of each of the three armed services, and a former director general of the carabineros.

The remaining aspects of the governmental system described in the 1980 Constitution, other than the institution of the National Security Council, coincide closely with the system under the Pinochet government of the late 1970s. All local officials will continue to be appointed by the central government, thus eliminating Chile's long tradition of active, representative municipal government.

The first twenty-three articles of the 1980 Constitution define the bases of the "new institutionality," Chilean nationality and

citizenship, and the rights and obligations of citizens. These represent the authors' attempt to make the "national security doctrine" of the military regime a permanent, legal aspect of Chilean political life. Article 8, for example, prohibits all acts by persons or groups that propagate doctrines that are totalitarian or based on class struggle. Political parties, organizations, and movements that advocate such doctrines are declared to be unconstitutional. Persons advocating such ideas, that is, Marxism, are prohibited from directing educational institutions, communications media, and political or interest groups. Terrorism is declared to be contrary to human rights, and the Constitution prohibits pardons or amnesty for convicted terrorists. Article 19 guarantees freedom of speech, conscience, and association to all who "do not oppose the morals, customs, and public order." Political parties cannot hold a monopoly over citizen participation; their membership and finances must be public knowledge, and they can have no external financing. Collective bargaining is a guaranteed right, but persons in jobs where a strike would "stop public utilities or cause grave harm to public health, the nation's economy, the supplies of the people, or to national security" are forbidden to strike.

Other articles legalize aspects of the economic philosophy of the military regime. Thus a limited economic role for the state is outlined. Although it is given a monopoly on hydrocarbons and mining, nationalization of other areas of the economy under private ownership is prohibited. In essence, a major purpose of the 1980 Constitution is to make Marxist politics and socialist economics illegal.

Political Dynamics

Democratic Traditions

Before the 1973 coup Chile was widely heralded as a successful example of persistent democratic government on a continent where politics was more often determined by the will of the armed forces. From the consolidation of Chilean democracy around 1830 until 1973, the Chilean military interrupted the democratic process only during the period from 1924 to 1931, and only in a handful of cases in the nation's history was an elected president prevented from completing his prescribed term of office (see *Position in Government and Society*, ch. 5). A number of factors contributed to Chile's status as a deviant case in South American politics, including the strength of Chilean political parties and its governmental institutions, the professionalization of its armed forces, and the pride of the Chilean people in their democratic traditions. Political discussions, sometimes referred to as "Chile's favorite indoor sport," were a major pastime. Although Chile's military leaders and their civilian supporters point to authoritarian and corporatist antecedents in the regimes of Portales and

Ibáñez, it is clear that these individuals represent a subtheme within the nation's political history, which has been dominated by the strength of constitutional democracy and accommodation by rival political groups for the sake of preserving democratic traditions. In this sense, the Pinochet regime represents an aberration.

Numerous observers have pointed to the overriding importance of Chile's multiparty system as a source of the strength of Chile's pre-1973 democratic system. The system was pluralistic to a degree that was often compared to West European democracies—since the 1920s ideological parties ranging from the revolutionary left to the reactionary right competed freely within the legal political framework. The major arena for political competition and accommodation among the parties was the Congress, which until it was disbanded in 1973 was one of the most powerful legislative bodies in Latin America. The importance of Congress as an arena for political compromise hinged on the multiparty system, under which no single party or coalition of the left, center, or right could gain sufficient strength to displace the others. During the twenty years preceding the coup, electoral strength remained nearly equally divided among these three contending ideological factions; hence, each was forced to bargain with the others in order to enact legislation.

The election of presidents from the right wing of the political spectrum in 1958, the center in 1964, and the left in 1970 displayed the equality of electoral strength of these three factions and the tolerance of the system for ideological pluralism. These years also witnessed generally slow economic growth, which was accompanied by a rapid growth of political mobilization by groups contending for income shares of an "economic pie" that was barely expanding. Mobilization was especially apparent in trade unions, where membership in legally recognized blue- and white-collar unions increased from some 126,000 in 1964 to 282,000 in 1972. Agricultural union membership grew from about 1,600 to some 136,000 in the same period. Electoral participation also grew rapidly during the period, increasing from some 1.4 million in 1961 to 3.7 million in 1973.

Political Demobilization

The level of repression associated with the 1973 coup was unprecedented in Chilean history. Although there was a minimum of armed resistance to the coup itself, the death toll, representing primarily leftist supporters of the Allende government, was conservatively estimated at between 3,000 and 10,000; some estimates were considerably higher. Between 40,000 and 95,000 persons were estimated to have been taken prisoner for some length of time during the first three years of military rule. Many thousands were dismissed from their jobs for political reasons, as were students dismissed wholesale from the nation's universities.

Many more thousands fled into exile; by the late 1970s the Roman Catholic Church estimated that at least 40,000 political exiles were scattered throughout the world. Despite a 1978 amnesty law, many of these people remained barred from reentry into Chile four years later.

The state of siege that was declared on the day of the coup enabled the government to suspend normal constitutional guarantees; to impose nightly curfews, censorship of the media, and severe restrictions on public gatherings; to order opponents into exile (either within or outside Chilean territory); and to transfer jurisdiction of political offenses to military courts. In September 1974 the state of siege at the level of "internal war" was downgraded to a state of siege at the level of "internal defense," and a year later it was downgraded further to the level of "internal security." In March 1978 the state of siege was dropped for the less stringent state of emergency. Under the provisions of the state of emergency, which continued to be renewed every six months through March 1982, many of the powers granted the state under the state of war remained in effect. In 1978 the nightly curfew was replaced by a ban on driving cars without authorization between 2:30 A.M. and 5:00 A.M. The exiling of opponents was also banned, but in 1980 the regime passed legislation, which was later embodied in the transitional articles of the new Constitution, to permit internal exile of opponents for up to three months. Transitional Article 24 also extended the period the government could legally detain persons suspected of committing acts of terrorism without trial from five to twenty days. Observers noted at that time that under these new laws the State of Emergency differed from the State of War earlier in effect only in that certain political crimes were tried before civilian judges.

A major agent of political control during the early years of the military government was the National Intelligence Directorate (Dirección de Inteligencia Nacional—DINA), which became operational in November 1973 but was not formally established until June 1974 (see Police, ch. 5). DINA, said to have been composed of some 4,000 military and civilian agents and some 16,000 informants, was widely feared because of its powers to arrest anyone and allegations that it tortured regime opponents, both moderate and leftist, in secret detention centers throughout the country. It was also alleged to have participated in the assassination of a number of regime opponents in exile overseas. In August 1977 DINA was disbanded and replaced by the National Information Center (Centro Nacional de Informaciones—CNI). Whereas DINA had been directly answerable to the junta, the CNI was placed under the administrative control of the Ministry of Interior and therefore was assumed to act more within the nation's legal framework. Allegations of "disappearances" of persons under the arrest of security forces ceased after October 1977. Allegations of the tor-

*Chamber of Deputies,
Congressional Palace,
Santiago
Courtesy Kathryn
Shaw/Americas*



turing of prisoners declined markedly but persisted into 1981, when sixty-eight persons filed complaints in Chilean courts alleging to have been tortured.

The process of political demobilization carried out by Chile's military rulers also involved more subtle efforts aimed at limiting political expression and in effect destroying the pre-1973 political system. On September 22, 1973, the junta declared that all Marxist parties were outlawed. Five days later all other parties were declared to be "in recess," meaning they were forbidden to hold meetings or maintain party headquarters. Unlike the Marxist parties, the property of the parties "in recess" was not sequestered by the government. In March 1977 these parties—the Christian Democratic Party (Partido Demócrata Cristiano—PDC, or Christian Democrats), the National Party (Partido Nacional), and the Radical Party groups—were also declared illegal. These moderate and rightist parties originally supported the coup but then either disbanded as an organized entity (in the case of the Nationals) or, in the case of the Christian Democrats and the Radicals, gradually became prone to oppose the regime (see Political Actors, 1982, this ch.).

The trade union movement was also severely repressed. On September 17, 1973, the Sole Chilean Workers' Central (Central Única de Trabajadores de Chile—CUTCh), the communist-dominated and the nation's largest labor federation, was outlawed.

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Other unions were allowed to exist, but until 1979 they were forbidden from normal functioning by prohibitions on collective bargaining, strikes, union meetings, and elections. Any vacancies in union leadership were to be filled strictly according to seniority on the job. A series of decree-laws issued during 1978 further restricted the rights of organized labor to such an extent as to evoke a series of formal protests from various international labor organizations, including the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) in the United States, which in late 1978 threatened to boycott all shipping to and from Chilean ports. In order to ward off the boycott, the government promised to enact legislation that would allow for collective bargaining, the right to strike, and the election of union officials.

But the labor code that emerged in mid-1979 put strict limits on the extent of free labor activity. Collective bargaining was limited to the plant level, thus eliminating the possibility of industry-wide strikes coordinated by larger labor confederations. Union membership is made voluntary, and a closed shop is prohibited; thus each work place may contain several different unions as well as nonunion members. The right to strike is restored, but after thirty days management may hire temporary workers to replace those on strike, and after sixty days, strikers must accept management's last offer or be fired. This series of decree-laws was intended to ease mounting criticism of the total ban on union activity in effect since the coup but at the same time to prevent the reemergence of a trade union movement with the significant political power it had prior to the coup. Chile's labor and social welfare minister described the legislation as "a death blow to Marxism."

Chile's university system, traditionally a center of political activity, was also the object of concerted efforts at political demobilization by the military government. Immediately after the coup some 22,000 university students, faculty, and staff—more than one-eighth of the community nationwide—were dismissed. These dismissals—aimed initially at leftists but subsequently at any persons displaying any degree of criticism of the government—continued through 1976, and again in late 1979 and early 1980 additional members of the academic community were forced to resign or to quit their studies. Control of the Catholic University of Santiago was lost by Christian Democrats to conservative elements such as Opus Dei. Also immediately after the coup, all university rectors were fired and replaced by administrators appointed by the government. Initially, all the new rectors were active-duty or retired military officers; by 1980 a few were civilian appointees of the government. Student leadership was appointed directly by university authorities. Textbooks and curricula were also extensively revised to conform to the political thinking of the military government.

Government and Politics

Chile's prolific and highly political news media were subjected to severe censorship after 1973. Before the coup Santiago had eleven daily newspapers, representing all political points of view. After the coup five remained. Three of these belonged to the conservative publishing firm that owned *El Mercurio*; one was a government newspaper. Nearly all printed criticism of the regime ceased; the remaining newspapers cautiously censored themselves. Weekly and monthly periodicals, which had proliferated before the coup, also disappeared in large numbers. Periodicals that were critical of the government did survive, however, under the auspices of the church. By 1975 the Jesuit monthly *Mensaje* was the most important journal publishing research that was critical of government policies. *Analisis* and the human rights-oriented *Solidaridad* were also church-sponsored magazines that were published into the early 1980s.

A weekly magazine published by the Christian Democrats was suspended in 1975 but was resurrected as *Hoy*, which by 1980 claimed a readership of some 50,000. The government closed down *Hoy* for two months in 1979, but the magazine reemerged as an effective voice of the opposition, thus demonstrating an increased government tolerance for a critical press during the late 1970s and early 1980s. The opposition magazine *Apsi*, however, was prohibited from discussing events in Chile. In addition the transitional articles of the new Constitution restricted media coverage of acts of terrorism and of private activities of public officials and also allowed the government to prohibit the publication of new periodicals.

Self-censorship was practiced by all periodicals as well as the small opposition radio stations that operated in Santiago. In 1982 books remained subject to review by censors prior to publication.

The extraordinary steps to repress political activity were undertaken in the name of national security. The extent of the political demobilization that took place following the 1973 coup, however, coincided with a concept of threatened national security that was much broader than were actual military challenges to the regime. Marxist political activity and thought were considered subversive, and this view broadened to include virtually any political activity not under the direct control of the state. The scope of the demobilization could also be explained by the extraordinary levels of political mobilization in Chile before 1973. Regardless of the causes, the effects of demobilization were fairly clear in 1982. Political opposition was dealt a severe blow but doggedly persisted into the early 1980s. Several analysts pointed out that by expanding the scope of political proscription to include moderate elements that initially supported the regime, the military government undermined its own basis of civilian support.

Political Actors, 1982

The goal of the process of political demobilization was to remove the pre-coup political actors from a position of influence in Chile while the military regime consolidated its political power. Despite the scope of the demobilization process in Chile, the Pinochet regime was only partially successful in this effort. Opposition groups persisted in 1982, and the regime was forced to juggle various groups, which were often at odds with one another, among its supporters.

Regime Supporters

Civilian support for the military regime was initially widespread and certainly included the vast majority of those citizens not directly associated with the Popular Unity (Unidad Popular) government. The reasons for this support were the hope that the military government would provide relief from the political and economic chaos that had become endemic under Allende and the belief that the military would rule for a short period, restore order, and return the government to civilian leaders. Although a number of civilian groups offered to cooperate with the military during its first months in office, the government chose to accept only the most conservative civilians as advisers and functionaries. These included, especially, people associated with the rightist National Party and the ultraconservative Fatherland and Liberty (Patria y Libertad), which had been founded in 1970. Other early civilian collaborators included some conservative Christian Democrats, some federations of small businessmen known as *gremios*, and a group of conservative Catholics called Integralists.

Soon, however, as it became apparent that the military intended to remain in power longer than expected and unpopular economic measures were pursued, support of the military regime by some civilian supporters dwindled. Criticism of the high social costs of the regime's economic policies came from such staunch early supporters as Leon Vilarín of the truck owners association, Rafael Cumsille of the retail merchants association, and Pablo Rodríguez of Fatherland and Liberty. These and other civilian backers grew to feel that the major beneficiaries of government economic policies were a small group of wealthy financiers, widely known as the piranhas, who had sufficient capital to purchase former government-owned industries and who knew how to speculate in Chile's capital markets (see *The Elite*, ch. 2).

The regime continued to benefit, nevertheless, from acquiescence by a large number of citizens who, fearful of a recurrence of the violent and polarized political environment during the last year of the Allende regime, preferred to remain aloof from politics. As the economy emerged from a severe recession in 1976, growing support for the regime paralleled the growth of the economy over the next five years. Between 1976 and 1981 an increas-



*Newsstand, downtown
Santiago
Courtesy Veronica
Stoddart/Americas*

ing number of citizens, particularly (though not exclusively) within the upper and upper middle classes, witnessed real economic gains that were translated into support for the government.

At the time, outside analysts commonly distinguished two mutually exclusive and sometimes antagonistic groups among regime supporters—the *blandos* (soft-liners), also known as *aperturistas* (those seeking an opening of the political system); and the *duros* (hard-liners). The *blandos*, whose major ideologue was Jaime Guzmán and whose main supporters were among the piranhas and other big business interests and in news media such as the daily *El Mercurio*, favored the free market economic policy and a gradual liberalization of political policy to include civilian participation. Prominent *duros* included some of Pinochet's military advisers; his outspoken daughter, Lucia; and a number of influential newspaper columnists, particularly Alvaro Puga and Federico Willoughby; and the retired former head of DINA, Juan Manuel Contreras Sepúlveda. This group favored severing the regime's close ties with the piranhas and building a popular base of support for long-term military rule. The political supremacy of Pinochet was linked to his remaining in a neutral position above this debate among his supporters. Compromise was often sought between the two groups: the main body of the 1980 Constitution, for example, reflected *blando* influence, while the transitional articles were seen as a compromise given to *duro* supporters.

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The economic downturn that began in mid-1981, however, precipitated a decline in government support. *Blandos* came under criticism because of the failure of their previously heralded economic policies; they in turn blamed the economic difficulties on the political rigidity of the *duros*. Cabinet changes in 1981 and early 1982 brought *duro* gains at the expense of the *blandos*.

Throughout the 1973-82 period the most potent political force backing the Pinochet government remained the armed forces. This role as a major political actor was new to the Chilean armed forces. Between 1932, when there were three coups d'etat, and the brief, unsuccessful rebellion of 1969, there was almost no evidence of political activity or ambition by military officers. This did not mean that individuals did not hold political opinions—politics was widely discussed, and military personnel were allowed to vote. Studies of the period before 1973 showed that military personnel tended to vote along lines that revealed their class origins rather than their military persuasion. Thus naval officers, many of whom came from the upper classes, voted for the conservative National Party; army and air force officers, of more middle-class origins, sympathized with the moderate Radical Party. A few officers were supporters of the Christian Democrats, and a few supported the Marxist left. As a whole, however, the armed forces lacked any unifying political doctrine before 1973.

The 1969 rebellion, led by General Roberto Viaux, was of minor significance and was ostensibly aimed at higher military salaries. It did, however, foreshadow the growing political restiveness of officers during the Allende government. Even before Allende was inaugurated, a number of coups were attempted by right-wing elements within the armed forces. These efforts failed, although the constitutionalist army commander in chief, General René Schneider Chereau, was killed in 1970 during one of the attempts. Conservative, younger officers, horrified at having an avowed revolutionary Marxist as the nation's president, continued to plot throughout the three years that Allende remained in office. As the political situation became increasingly polarized and violent during those years, older, more senior officers became alarmed by reports of the development of parallel armed groups and also began to consider a coup. Beginning in November 1972 the armed forces were brought directly into the political arena as officers were asked to take positions within the cabinet in order to shore up the increasingly beleaguered government. Military personnel also commanded a number of "Emergency Zones" in areas of the country most affected by violence.

Plotting increased after an abortive coup attempt on June 29, 1973, that was led by a disgruntled commander of a Santiago tank regiment. The insurrection was quickly put down on the insistence of the army commander in chief, General Carlos Prats González. During the subsequent ten weeks, Prats was forced to

resign, as were the commanders in chief of the air force and navy and the six most senior officers in the carabineros, thus eliminating the government supporters and placing rightists in command of the three services and the carabineros (see the Allende Government, 1970-73, ch. 1; Appendix B).

The plot to overthrow the Allende government was developed by the new commander in chief of the navy, Admiral Merino, who gained the active cooperation of Pinochet, Leigh, and Mendoza. Because of the preeminent importance of the army among the armed services, the cooperation of Pinochet was the key to the successful coup, and he was named president of the four-man junta that assumed power on September 11. The original military government had the collegial leadership of the four service commanders, but over the course of his first five years in power, Pinochet used his power over military promotions to consolidate his position as the undisputed head of both the armed forces and the government. During that time a number of high-ranking officers who were viewed as potentially challenging Pinochet's leadership—including generals Oscar Bonilla, Sergio Arellano Stark, Javier Palacios Ruhmann, and Leigh—were removed from positions of power within the regime, while officers of undisputed loyalty were promoted into those positions.

The ousting of Leigh in July 1978 was of particular significance, both because he was an original member of the junta (and in 1973 had been considered its most hard-line member) and because he subsequently became a vocal critic of the Pinochet government. Leigh's resignation came only a week after he had commented to an Italian newspaper that he sympathized with the civilian parties and favored the restoration of civilian government within five years. He also expressed his concern for the regime's human rights record. Upon his resignation, eighteen of the twenty remaining generals in the air force were either dismissed or resigned in sympathy with Leigh (see Organization, Administration, and Training, ch. 5). In 1982 Leigh continued to criticize the government, both for the restrictions imposed on political parties by the new Constitution and for its economic policies.

Pinochet's position of political power was consolidated still more by the plebiscites of January 1978 and September 1980 (see "Institutionalization" and the 1980 Constitution, this ch.). Both were conceived by Pinochet, and the "yes" vote that resulted in each case was a personal victory for him. The 1980 vote added a sense of legitimacy to at least eight more years of his political leadership. There were no outward signs of discontent within the ranks of active officers at that time, although some observers indicated that a number of army officers were unhappy with the regime's economic policies and with the monopoly on power held by Pinochet.

Regime Opponents

The opposition to the Pinochet government was decimated in the years after the coup for a number of reasons; the ideological split that plagued the political parties of the left (which was exacerbated by the ambivalent legacy of the Allende regime); the role played by the Christian Democrats in the downfall of Allende and their initial welcoming of the coup; and, most importantly, the political demobilization carried out by the government. Although the goal of the demobilization was to do away with traditional political institutions—particularly the political parties—the deep roots of these institutions in the fabric of national life together with constraints that demanded a degree of government toleration of certain opposition elements enabled an opposition to survive. By 1978 the increasingly self-assured government allowed a greater expression of dissent by opposition figures than it had during the previous five years, and by 1980 the constitutional plebiscite served to foster unity—at least temporarily—among the hitherto fragmented opponents of the Pinochet regime. Opposition political culture was also expressed, though not with the use of party labels, in neighborhood social clubs, sports clubs, theatrical productions, and folklore festivals.

The PDC was the largest single party in terms of voter strength before 1973, and the leadership of the Christian Democrats voiced the most effective opposition to the post-1973 regime. Before the coup its leadership was divided (though there was never a formal split) between the centrist Frei, who had been president from 1964 to 1970, and the leftist Radomiro Tomić Romero, who had been the party's unsuccessful candidate in 1970. After the coup Tomić was silenced, giving Frei, who remained in Chile and retained a public voice, undisputed leadership of the party. In 1975 Bernardo Leighton, another leader of the anticoup wing of the Christian Democrats in exile, was critically wounded in an assassination attempt in Rome. After the party was declared illegal in 1977, its name was no longer used and, of course, there was no formal organizational structure. Frei maintained an office in Santiago, however, and it was generally understood that he spoke in the name of the party. His death in early 1982 was a severe blow to the party, and several months later Gabriel Valdés, minister of foreign affairs in the Frei government, was chosen to succeed Frei.

In 1982 Christian Democrats continued to publish the weekly magazine *Hoy*. They had operated a radio station, called Radio Balmaceda, until it was confiscated by the government in early 1977; during the early 1980s they operated Radio Cooperativa. Party adherents were also close to activists within the Roman Catholic Church, were among the leadership of the opposition trade union movement, and published studies critical of regime economic policies through a group known as the Corporation of

Economic Investigations for Latin America (Corporación de Investigaciones Económicas para América Latina—CIEPLAN).

As the military government was constrained in its repression of the Christian Democrats because of the important role they had played in opposition to Allende and because of the public esteem held for Frei, so was the party constrained in its opposition to Pinochet by the unspoken limits to dissent set by the government. Frei's first open protest was the 1976 publication of a booklet entitled *The Mandate of History and the Demands of the Future*. This tract refrained from any direct attack on Pinochet but criticized the extreme right-wing supporters of government and the extreme left-wing, "totalitarian" supporters of the Allende government. After the party was declared illegal in 1977, Christian Democratic leaders began to criticize the military regime's political and economic policies more directly. The strongest protests, issued by both Frei and party president Andrés Zaldivar, were in response to the 1980 constitutional plebiscite. On the eve of that vote Frei addressed some 10,000 persons (and a nationwide radio audience, although television coverage was barred), whom he urged to vote "no" on the plebiscite, which he declared was fraudulent and designed only to perpetuate military rule. As an alternative to the 1980 Constitution, Frei proposed a three-year transitional period with joint civilian-military rule to precede the election of a popularly elected government. After the vote Christian Democratic leaders continued to denounce the plebiscite as fraudulent and warned that without a forthright democratic alternative, "in the future state-originated violence will be counteracted by individual violence." Frei's January 1982 funeral was accompanied by an antigovernment demonstration by some 8,000 persons, at least thirty of whom were arrested outside Santiago's main cathedral.

The leftist Popular Unity parties did not benefit from the official toleration granted the Christian Democrats. Most of the leadership, as well as a significant portion of the rank and file, was killed, imprisoned, or forced into exile after 1973. In addition the Marxist left in exile was riddled with factionalism, much as it had been when the Popular Unity held the reins of government. In 1979 the Socialist Party of Chile (Partido Socialista de Chile—PSCh), in exile, suffered a split between Carlos Altamirano in Western Europe, who abandoned his previous extreme-left stance for a Social Democratic orientation, and Clodomiro Almeyda Medina in East Berlin, who called for cooperation with the Communist Party of Chile (Partido Comunista de Chile—PCCh) in exile.

The Communist Party was likewise severely repressed, but it found itself better equipped for survival in the post-1973 authoritarian climate. Its orthodox, pro-Moscow leadership was unified around party secretary general Luis Corvalán, who was released from prison in a 1976 exchange for the release of a political pris-

oner from the Soviet Union and subsequently lived in the German Democratic Republic (East Germany). The cellular organizational structure, party discipline and cohesion, and past experience in clandestine operation enabled the Communists to maintain an underground network in Chile. Within the Popular Unity coalition, the Communist Party rejected some of the revolutionary extremism of other participants, arguing instead for a gradual road to socialism using the electoral process. By 1981 the party had called for the violent overthrow of the military regime, though it was not clear if that turnabout in past strategy would stick.

The centrist Radical Party was splintered into several factions and prior to the coup had lost much of its previous electoral strength. Very little of its organizational capacity remained when it was made illegal in 1977. The smaller, Marxist components of Popular Unity were largely destroyed in the coup, and little was subsequently heard from their few exiled leaders. The ultraradical Movement of the Revolutionary Left (Movimiento de Izquierda Revolucionaria—MIR) was greatly reduced from its 1973 membership of some 10,000 proponents of armed struggle. It was inactive until 1980, when officials linked a series of bank robberies and two assassinations to the MIR. Terrorist activity did increase slightly during the following two years. In 1982 Andrés Pascal Allende, secretary general of the MIR, continued to issue occasional calls for armed guerrilla struggle against the government (see *Internal Threats to National Security*, ch. 5).

The right-wing National Party accepted the government's prohibition and ceased to exist as an organizational entity. Many National Party members were nevertheless close to the top circles of power under the military government, and many of the party's former programs were enacted after 1973. A minority of its members, however, refused to be identified with the government. Some of these joined the so-called Group of 24, which was a highly visible committee made up of representatives of all of Chile's political parties from conservative to communist. The Group of 24, also known as the Group of Constitutional Studies (which was actually composed of over 1,000 democratically oriented scholars and organizational leaders) studied constitutional and legal aspects of the military regime. In 1978 it prepared an alternative to the regime's draft constitution and in 1980 joined the protest against the nondemocratic aspects of the final version of the 1980 Constitution. After the plebiscite, it published an eighteen-page report detailing alleged irregularities and fraud surrounding the voting.

Chile's trade unions, which had been a vital and growing political force since the 1920s, were virtually destroyed during the mid-1970s demobilization campaign. Toward the end of the decade, however, they showed signs of revival and, though hamstrung

by labor legislation that severely curtailed union activities, several trade union organizations began to play a significant role in opposition to the military regime. In 1976 the first of these groups to be formed, the Group of 10, brought together union officials from the copper, oil, plastics, textile, railroad, sugar, and marine workers' unions, public employees, and a peasant union. The Group of 10 was overwhelmingly Christian Democratic in outlook, and many of the unions represented had been fierce opponents of the Popular Unity government. In mid-1981 the Group of 10 organized a new labor union confederation, called Democratic Union of Workers (Unión Democrática de Trabajadores—UDT) which, at the time, claimed forty-nine affiliated organizations and nearly 800,000 members. Strongly supported by the AFL-CIO-affiliated American Institute for Free Labor Development, the UDT was led by its president, Eduardo Ríos, and was considered moderate in its opposition to the government. The political overtones of the February 1982 murder of UDT Vice President Tucapel Jiménez, however, led some observers to foresee a radicalization of the UDT.

A more specifically leftist group, known as the National Union Coordinator (Coordinadora Nacional Sindical—CNS), was formed in 1978 and by 1982 claimed to be the nation's largest labor union federation. Its president was Manuel Bustos, and its leadership was said to work closely with elements of the Roman Catholic Church. In 1981 the CNS presented the government a petition that demanded, in part, wage increases and the end to political restrictions on trade unions. The government responded by arresting the CNS board of directors for illegal union activities; Bustos spent seven months in jail. The Centralized Workers' Front, a smaller group of Social Christian union leaders, and the National Union of Chilean Workers (Union Nacional de Trabajadores de Chile—UNTRACH), a group originally set up by the government to provide working-class support but whose leadership turned against the regime in response to the 1979 labor code, rounded out the vocal labor opponents to the government in the early 1980s.

One sign of the growing strength of trade union opposition stemmed from the results of union elections. Reports on elections after October 1978, when union elections were first resumed, indicated that the vast majority of newly elected officials were linked to opposition groups. Government-fielded candidates invariably fared poorly. One survey conducted in December 1979 noted that some 60 percent of new union leaders held ties to the Communist or Socialist parties, and some 35 percent were of Christian Democratic persuasion. The legislation embodied in the labor code, however, severely inhibited unions from using the strike, their most potent political tool. As long as unemployment remained acute and management was legally allowed to replace strikers with temporary workers after only thirty days, observers

agreed that the power gained from the power to strike was limited (see Political Demobilization, this ch.).

In early 1982 there were signs that the trade union organizations were prepared to take a more active role in opposition to restrictions placed on union activity and to the toll on union members of the then-deteriorating economic situation. One week before his assassination, Jiménez had made a plea for a united trade union response to the economic situation.

In late 1981 a number of professional associations, objecting to their lack of input into policy decisions affecting their professional interests, also emerged into a position of opposition to the Pinochet government. Several associations, including the conservatively oriented medical association and the bar association, elected officers at that time who were identified with opponents of the government.

Over the first seven years of military rule, the Roman Catholic Church evolved into one of the most articulate and effective voices of opposition. Some 150 priests were expelled in the wake of the coup, but subsequently the church was relatively immune from government repression and acted as an umbrella for various organizations expressing dissent. Both church and government officials avoided direct confrontation. Some members of the clergy were subject to occasional government harassment, however; in mid-1980, for example, a series of police raids were made on various Santiago parishes, but public protests by church officials generally resulted in some form of accommodation. On this occasion the harassment ended, and the government formed a special organization, directly responsible to the junta, to handle relations with the church. Several weeks later, nevertheless, church authorities threatened to excommunicate Jaime Guzmán, a devout Catholic who had served as a chief supporter and ideologue of the Pinochet government.

The major thrust of church activity has been in the form of humanitarian aid. Immediately after the coup, Catholic, Protestant, Orthodox, and Jewish leaders set up the National Committee to Aid Refugees, which assisted some 5,000 foreigners in leaving Chile in the subsequent months. In October the leaders inaugurated the Committee of Cooperation for Peace in Chile to provide legal assistance to prisoners and those dismissed from their jobs for political reasons and to offer economic and health-related assistance to those impoverished under the regime's austere economic policies. The government forced the disbanding of the committee in December 1975, but the following month Cardinal Raúl Silva Henríquez, Chile's archbishop who increasingly personified the church's opposition to the regime, organized the Vicariate of Solidarity. Some changes were made in personnel and, unlike the ecumenical committee, the Vicariate was made an integral part of the juridical structure of the Roman Catholic Church, making it

more immune from government attack. It continued the same functions as the committee, however, and in subsequent years provided legal, health, nutritional, and occupational services to more than half a million Chileans in its twenty provincial offices, staffed by some 300 priests and lay persons.

The church's offices also undertook activities that were more specifically political in tone. These activities led to occasional allegations that elements from within the church took an active role in subverting the government. In the early days of military rule, rectories and convents became places of refuge for those seeking to escape arrest, and church officials assisted many seeking political asylum in foreign embassies. The church also assisted the families of prisoners who had "disappeared" and studiously documented and publicly protested cases of disappearances as well as torture of prisoners. The Jesuit monthly magazine *Mensaje* was after 1973 one of the few publications to provide alternative viewpoints on public events in Chile. After 1976 the Vicariate published a more critical biweekly bulletin, called *Solidaridad*, which cogently discussed the problems facing Chile's peasants, students, workers, and unemployed. The Vicariate also printed and disseminated numerous pamphlets on topics of special concern, such as human rights issues and the opinions of labor leaders. In 1980 after a renewed spate of politically motivated arrests, it published a pamphlet offering specific and detailed advice on how to conduct oneself if arrested, beaten, and tortured by authorities or if one witnessed such an event. The church also operated a radio station in Santiago and another in Punta Arenas. Through these media the church consistently if gingerly criticized the lack of political participation under the military regime, the junta's economic policies, and the juridical process and human rights violations under Pinochet. Clearly, the Catholic Church was in a unique position within Chile to be allowed to disseminate such information and as such acted as a surrogate opposition in the place of specifically political organizations that were subject to more concerted government repression.

Opposition politics within Chile's universities survived in spite of the government demobilization campaign. Music, theater, and cultural events on Chile's campuses continued to carry political overtones while formal student government and university administration were controlled by the government with a view toward taking politics out of the educational system. In April 1979 the government unexpectedly called elections for student representatives at the University of Chile, far and away the nation's largest institution of higher education, with campuses in most major urban centers. The results clearly showed the strength of the opposition, which received some 60 percent of the vote as opposed to 30 percent for government supporters. Only in the university's School of Agriculture did government supporters win

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a majority of positions. The eve of the September 1980 constitutional plebiscite saw the largest student protest demonstration, featuring several hundred marchers in downtown Santiago, in the regime's seven-year history.

Foreign Relations

Like so many aspects of Chilean political, economic, and social life, Chile's relationship with the international community underwent a profound transformation after 1973. The North-South concerns of the Frei and Allende governments that emphasized the need to redress the historically inequitable relationships between developing nations and those of the industrialized nations were replaced by an emphasis on East-West concerns. The strident anticommunism that spearheaded the domestic political demobilization was an equally dominant theme in foreign policy. This was evident in an early speech by Pinochet in which he declared "a direct war against international Communism and against its Marxist-Leninist ideology." Immediately upon coming to power the junta expelled Cuba's diplomats and severed diplomatic relations with Cuba and the Democratic People's Republic of Korea (North Korea). Shortly thereafter the Soviet Union, the Democratic Republic of Vietnam (North Vietnam), East Germany, Poland, and other Soviet bloc nations of Eastern Europe broke relations with Chile. Chile's post-1973 "war" was specifically aimed at *Soviet* communism; relations with China remained normal throughout the 1970s, and China became a significant trading partner.

During the first two years of military rule, foreign policy took a back seat to the internal consolidation of the regime, and there was little debate over the merits of the ideological approach to international affairs. By 1975, however, the economic groups that supported the regime began to argue that a more pragmatic approach—which might improve Chile's image abroad and thus facilitate the creation of strong external linkages necessary for the expansion of foreign trade and the promotion of foreign investment—was called for in the nation's international affairs. This bifurcation corresponded roughly with the *duro-aperturista* debate among the supporters of the regime (see Political Actors, 1982, this ch.). The pragmatic point of view was given a big boost in April 1978 when Hernán Cubillos Sallato was appointed as the regime's first civilian minister of foreign relations. (At the time of his appointment, the ministry was reorganized, and the post of vice minister of foreign relations, filled by a military officer directly responsible to Pinochet, was created.) Cubillos was more successful in improving Chile's external economic relations than its political relations. In March 1980 he was replaced by René Rojas Galdames, a career diplomat who remained in that post in mid-1982. A March 1980 speech by Pinochet reassured the

prominent place of an ideology that rejected East-West detente: "The world is already involved in World War III. This is the only way to characterize the cruel communist expansion that, without rest, spreads throughout the world and that has signified the death of millions of men in different types of combat."

The regime's record on human rights and especially its marked contrast to Chile's strong democratic tradition earned it condemnations from nations and international forums around the world and turned Chile into a kind of international pariah during the late 1970s. The United Nations General Assembly voted yearly between 1974 and 1980—by overwhelming margins that ranged from ninety-six to fourteen in 1977 to ninety-three to six in 1979—to condemn the human rights situation in Chile. The Chilean government has been highly sensitive to this criticism, and it became an article of faith among regime supporters that foreign criticism of Chile was the result of a well-orchestrated, worldwide communist campaign to discredit Chile. Criticism from noncommunist sources was attributed to the effectiveness of communist propaganda in infecting even Chile's natural allies.

Chile's foreign policymakers have attempted with considerable success to overcome the nation's persistent diplomatic isolation through the strengthening of commercial relations. Many economic observers, including those from foreign banks, multinational corporations, and export-import concerns, were impressed by the regime's success in using monetary and laissez-faire economic policies to control inflation and rationalize the economic system to make Chile a growing trading partner and once again safe for foreign investment and international loans. So, for example, while loans from the United States and international agencies fell from some US\$330 million to US\$38 million between 1974 and 1978, loans from private sources (primarily United States-based banks) grew from virtually nothing to nearly US\$1 billion in 1978 and some US\$4 billion in 1981. One of the highest priorities in nearly every Chilean embassy abroad was given to an economics section that sought the improvement of Chilean commercial relations and the promotion of a positive economic image of the country. Regime backers hoped that the growth of commercial relations would be a precursor to improved diplomatic relations.

Relations with the United States

A tradition of friendly relations between Chile and the United States—based on a mutually beneficial flow of technology, foreign assistance, and primary product (largely copper) exports—broke down in the 1970s; relations were strained to one degree or another throughout the decade. The United States reaction to the election of President Allende was overtly cool to the extent that

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President Richard M. Nixon failed to send the customary written congratulation to the president-elect in 1970.

Outward manifestations of the strains between Chile and the United States were highlighted by Chile's nationalization of numerous banks and industries owned or partially owned by United States-based companies. Most of these concerns negotiated mutually satisfactory terms for compensation, but in the case of the mining operations seized from the Anaconda Copper Company and the Kennecott Copper Corporation, Allende declared that they had accumulated excess profits that exceeded their current net worth and therefore would receive no compensation. Strains were intensified in 1972 when Chile, suffering from a decline in copper prices and an inability to obtain a rescheduling of its foreign debt, was forced to suspend payment on its debt to United States and multilateral lending agencies. Revelations in March of that year that the International Telephone and Telegraph Company (ITT) had conspired with the United States Central Intelligence Agency in attempts to prevent Allende from taking office in 1970 contributed further to the rapid deterioration of the once-amicable relationship (see *The Allende Government, 1970-73*, ch. 1; Appendix B).

The United States recognized the military government shortly after the coup, but revelations about widespread human rights violations in its wake prevented any improvement of the "correct" relations initially maintained between the two governments. Chile's efforts to improve relations by negotiating compensation for properties nationalized under the previous regime and liberalizing foreign investment rules had little effect on the United States government, which was becoming increasingly concerned with human rights aspects in its foreign policy, or on the level of United States private investments, which feared for the stability and economic viability of the military regime.

In 1976 the United States Congress, citing human rights violations, voted to suspend all new military assistance and sales to Chile and to limit economic aid to US\$27.5 million until substantial progress was made in the human rights area. In June of that year at the annual meeting of the Organization of the American States (OAS) being held in Santiago, Secretary of State Henry A. Kissinger noted that "the condition of human rights as assessed by the OAS human rights commission has impaired our relationship with Chile and will continue to do so." The election of Jimmy Carter to the United States presidency increased the strains, as the new administration voted to condemn Chile's human rights record in international organizations, officially received opposition figures like Frei and Almeyda, and pressured the Chilean regime to improve its human rights record.

The most critical factor in the further deterioration of bilateral relations during the late 1970s, however, was the September 1976

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assassination of Orlando Letelier, a former ambassador and minister of state under Allende who was living in exile in Washington, D.C. A 1978 United States grand jury investigation indicted seven persons in connection with the incident, which took place one week after a presidential decree had stripped Letelier of his citizenship. The Chilean government yielded to a United States request for the expulsion of Michael Townley, a United States citizen employed by DINA, who testified before a United States district court that he had planted a bomb in Letelier's car under orders of Colonel Pedro Espinoza Bravo, DINA's chief of operations, with the knowledge of General Contreras, the director of DINA. The United States extradition request for the two officials plus Captain Armando Fernández Larios, another aide to Contreras, was denied by the Chilean Supreme Court in October 1979 on the grounds that most of the evidence submitted had been obtained through plea bargaining and was not admissible in a Chilean court. The United States ambassador to Chile was recalled to Washington for consultation as he had been twice previously in connection with the case. The Department of State subsequently issued a statement in which it described the conduct of the government of Chile in the case as "deplorable . . . in particular its refusal to conduct a full and fair investigation of this crime."

The ambassador returned two months later, after the announcement of United States sanctions against Chile to protest Chile's refusal to conduct an adequate investigation of the murder case. The sanctions, which continued in effect until 1981, included a reduction of the eighty-person United States diplomatic mission by 10 to 15 percent; the termination of all foreign military sales to Chile (including those in the pipeline); the removal of the small United States military mission in Chile; and a ban on United States Export-Import Bank financing or Overseas Private Investment Corporation guarantees in Chile. At the time, the United States government accused the Chilean government of "condoning international terrorism." In June 1980 the United States Department of State, citing the sanctions, did not invite Chile to participate in the annual joint naval maneuvers known as Operation Unitas. Responding to the sanctions, Chile's minister of foreign affairs accused the United States of adopting "old fashioned imperialistic methods."

The poor status of bilateral relations in 1980 was modified by the United States' recognition of "encouraging signs" in the area of human rights, including the ending of the disappearances of prisoners in late 1977 and the relative freedom of citizens to speak critically of the government. Official reaction to the 1980 Constitution was mixed; Department of State officials felt that it embod-

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ied improvements in guarantees of basic human rights but that the transition to civilian rule was too long.

United States-Chilean relations improved markedly in 1981. In February 1981 the one-month-old administration of President Ronald Reagan lifted the ban on Export-Import Bank financing of United States exports to Chile and invited the Chilean Navy to participate in Operation Unitas. Later that year the United States embargo on the sale of weapons was lifted by the Congress, contingent on presidential certification that Chile has made "significant progress" in complying with internationally accepted standards of human rights and that "the government of Chile is not aiding or abetting international terrorism, and has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicted by a United States grand jury in connection with the murders of Orlando Letelier and Ronnie Moffitt." The improved state of bilateral relations was also attested to by official visits by high-ranking officials, including Minister of Foreign Relations Rojas to Washington and Ambassador Jeane Kirkpatrick to Santiago in 1981, and Assistant Secretary of State for Inter-American Affairs Thomas Enders in March 1982, when he met with President Pinochet in Santiago to discuss the still-pending presidential certification.

Relations with Latin American Nations

In a "message to fellow Latin Americans" issued in the wake of the coup, Chile's military junta issued a bid to establish strong relations and project itself into a leadership position with the nations of Latin America. In part this message expressed "to fellow Latin Americans the faith and confidence that the destinies of our countries shall never be controlled by Marxist totalitarianism," and that "[Chile's] example will serve to point out new and fruitful paths for the Latin American who will discover in his own native blood a reason for living and for remaining a free and true man, disdaining all foreign intervention." This bid fell on deaf ears throughout much of the region, which sought economic development within a democratic context and saw little threat from the "Marxist menace." Even the military regimes throughout southern South America, which shared Chile's ideological orientation, saw little advantage in pursuing warm relations with a nation so isolated in the international arena. Relations with all three of its neighbors—Argentina, Peru, and Bolivia—fell to dangerously low points during the late 1970s (see *External Threats to National Security*, ch. 5).

For fourteen months after the March 1976 installation of a military regime in Argentina, indications were that the two governments were rapidly moving toward close international cooperation. Then in May 1977 the International Court of Justice, in session since 1971, handed down a decision on a century-

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old territorial dispute. During the subsequent year and a half the two nations were on the verge of war. The Vatican mediation in December 1978 halted war preparations, but in mid-1982 the dispute still had not been resolved to both parties' satisfaction. The Argentine-Chilean border was closed on one occasion in 1981, and tensions rose further with the outbreak of Argentine-British hostilities over the Falkland Islands (Islas Malvinas) in April 1982 (see Introduction).

The conflict lies in varying interpretations of the 1881 treaty that demarcates the mutual border. According to the treaty Chilean territory at the southern end of the continent extends down through half the island of Tierra del Fuego and includes all the islands south and west of the Beagle Channel, the dividing line in the far south. Argentine territory lies to the east of the channel. The dispute results from disagreement over the location of the Beagle Channel at its eastern end; both Chile and Argentina claim three tiny, uninhabited islands—Lennox, Picton, and Nueva—which lie at the mouth of the Beagle Channel (see fig. 1). Chile claims that the islands are south of the Beagle Channel at its eastern end; Argentina claims that the Beagle Channel bends south, putting the islands east of the channel.

The 1977 British arbitration agreed with the Chilean interpretation and awarded all three islands to Chile. Argentina did not accept the decision, maintaining it violated the separate oceans principle, whereby Chile had renounced all territorial claims in the Atlantic for Argentina's renunciation of all Pacific claims. Chile protested, and tensions ran high as both countries prepared for possible armed conflict. Most observers agree that the intervention of Pope John Paul II on December 22, 1978, prevented war from breaking out. During the subsequent two years, papal mediator Cardinal Antonio Samore conducted intensive shuttle diplomacy in an effort to mediate a mutually satisfactory conclusion to the dispute. In December 1980 a Vatican proposal was presented whereby Chilean sovereignty over the disputed islands would be confirmed and a "zone of peace" created to the east of the islands, over which Argentina would have sovereignty but both nations would have seabed exploitation rights. Chile accepted this proposal; Argentina did not. Negotiations under papal mediation were resumed at the Vatican.

The three islands in and of themselves are of little concern. What is at stake are the natural resources within the territorial seas defined by the islands. These include petroleum, for which both nations have been exploring since 1977, mineral deposits in the ocean floor, and krill, which is a small, shrimp-like creature and a valuable source of protein. The islands also hold strategic importance in the defense of the South Atlantic, as their owner would control access to the Beagle Channel. Perhaps most importantly, however, are the implications of the mediation award for territo-

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rial claims in Antarctica.

Chile claims Antarctic territory between 53° and 90° west longitude, an area incorporating 1.2 million square kilometers (see fig. 5). Within that territory, which the government incorporated into a province within the nation's administrative subdivisions during the late 1970s, Chile maintained three permanent bases, one summer base, and six smaller seasonal bases that were occupied as weather permitted. In 1980 it was also considering the construction of a large base and the purchase of an icebreaker to penetrate further toward the terminus of its claim at the South Pole. Chile was one of thirteen signatories of the 1959 Antarctic Treaty, which as ratified in 1961 calls for, among other things, the preservation of the status quo with respect to territorial claims until 1989. After that time the considerable overlap of Chile's Antarctic claim with that of Argentina could precipitate further disputes between the two nations. (The United States does not recognize any nation's territorial claims in Antarctica.)

Except for these disputes, Chilean-Argentine relations would be normal. Diplomatic relations were not severed during the period, and in the early 1980s Argentina was Chile's second largest trading partner in Latin America.

Relations with Peru also deteriorated markedly during the late 1970s, and beginning in 1974 the two traditional military rivals engaged in an arms race in anticipation of the centennial of the outbreak of the War of the Pacific in 1879. Chile handily defeated the armed forces of Peru and Bolivia in that nineteenth-century engagement, gaining territory at the expense of Peru's two southernmost provinces and Bolivia's access to the Pacific Ocean (see Position in Government and Society, ch. 5). One hundred years later the War of the Pacific remained a source of pride to the Chilean military and of humiliation to its counterparts in Peru and Bolivia. The late-1970s arms race was accompanied by escalating nationalistic rhetoric throughout the region and war jitters in anticipation of a possible Peruvian attempt to recover its lost territory. In December 1978 Peru expelled several Chilean diplomatic and military personnel for alleged spying activities, and the following month the Chilean ambassador to Peru was declared persona non grata, and his Peruvian counterpart was recalled from Santiago. The inauguration of Fernando Belaúnde Terry as the new president of Peru in May 1980 led to expressions of desire on both sides to normalize diplomatic ties again. In April 1981 full diplomatic relations were resumed; ambassadors were exchanged following the development of cordial relations at the level of chargé d'affaires.

Relations with Bolivia—which were suspended from 1962 to 1975 over a dispute concerning the use of the waters of the Río Lauca—also suffered from revanchist feelings left over from the War of the Pacific. Shortly after the resumption of diplomatic

relations, Chile announced the terms upon which it would agree to give Bolivia access to the Pacific Ocean. These terms, which included a Bolivian secession of an equal amount of territory to Chile and the demilitarization of the Bolivian corridor to the sea, were soon rejected by Bolivia. After a year of subsequent unsuccessful negotiations, Bolivia again broke diplomatic relations in March 1978. In October 1979 in a display of regional support for Bolivia's aspirations and of Chile's diplomatic isolation in the region, the OAS voted twenty-five to zero (Chile and Paraguay were not present) to back "a sovereign and useful access to the Pacific Ocean" for Bolivia. The July 1980 coup that thrust rightist General Luis García Meza into the Bolivian presidency initially brought hopes of an improvement in relations. A lack of diplomatic progress on the Bolivian access issue, however, left diplomatic relations ruptured in mid-1982.

The generally poor state of relations between Chile and its South American neighbors was underscored by Chile's October 1976 withdrawal from the Andean Common Market (ANCOM—also known as the Andean Pact), a regional economic integration effort whose membership subsequently included Venezuela, Colombia, Ecuador, Peru, and Bolivia. Although the formal break was over the incompatibility of the Pact's Decision 24—which restricted the role of foreign investors in member nations—with Chile's liberal foreign investment laws, it was no secret at the time that wider differences in economic philosophy as well as lingering political considerations were involved in the decision. After 1976 the Andean Pact became increasingly vocal in its support of democratic political ideals. The democratic government of Venezuela was particularly adamant in this regard from the time of its harboring a considerable number of refugees in its Santiago embassy in the aftermath of the 1973 coup. A significant number of political exiles migrated to Caracas, and a 1975 request by the Chilean government to curb their activities was refused by then-Venezuelan President Carlos Andrés Pérez. The large number of refugees in Mexico included the widow of President Allende, and in November 1974 when the military regime arrested Allende's sister, the Mexican government broke diplomatic relations. Although trade relations between Mexico and Chile expanded considerably, formal diplomatic relations remained ruptured in mid-1982.

Diplomatic relations with Brazil were generally good, although throughout the 1970s the Brazilian regime kept a measured distance from a display of open friendship; the international attention focused on the human rights violations in Chile relieved much of the pressure formerly felt by the Brazilian military regime. Nevertheless, Brazil developed into Chile's major trading partner in the region and an important arms supplier; by 1979 trade between the two was valued at some US\$750 million. In October

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1980 Brazilian President Joao Baptista Figueiredo was warmly received on an official visit to Santiago. Uruguayan President Gregorio Alvarez also visited the Chilean capital in April 1982, when the two governments signed a joint statement condemning terrorism in Latin America.

Chile expressed strong diplomatic support for regimes in Central America that were fighting leftist insurgents during the early 1980s. At the time, it was reported that Chile was providing moral and material support to the governments of El Salvador and Guatemala in their respective counterinsurgency campaigns.

Extra-Hemispheric Relations

The military government's relations with the nations of Western Europe were, initially, particularly bad. Violent incidents in the wake of the coup led to strains with France and the suspension of relations with Sweden. Diplomatic relations with Italy remained suspended for years after 221 refugees who had sought asylum in the Italian embassy in Santiago were denied safe passage out of Chile for nearly a year after the coup. An important trade relationship developed during the late 1970s, however, and in January 1982 normal diplomatic relations were reestablished with the exchange of ambassadors. Britain withdrew its ambassador in late 1975 after the release from prison of a British physician who stated that she had been tortured. A new ambassador was appointed in January 1980, and later that year, amid considerable controversy, British military sales to Chile were resumed. The purchase of twenty Mirage jet fighters and a number of medium tanks made France one of Chile's most important arms suppliers during the late 1970s. In early 1982, however, the government of President François Mitterrand, citing Chile's human rights record, suspended new sales of military equipment. Relations were generally good with Spain, where Pinochet attended the 1975 funeral of Generalissimo Francisco Franco.

Chile has actively sought improved relations with other nations throughout the globe. In the Middle East this effort found success especially in Egypt and Israel; the latter became an important arms supplier in the late 1970s. In August 1980 the Iranian government of Ayatollah Ruhollah Khomeini, citing Chilean human rights violations, suspended formal diplomatic relations. Chile maintained full diplomatic relations with South Africa in 1982, and the two countries had a significant commercial relationship. Chile's cordial relationships with Japan and the Republic of Korea (South Korea) were founded on trade agreements. An attempt to seek closer relations with other Asian nations was thwarted in March 1980 when Pinochet was forced to abort a visit to the Philippines, Hong Kong, Fiji, and Papua New Guinea after Philippine President Ferdinand E. Marcos abruptly canceled his invitation only hours before Pinochet was scheduled to arrive. This

cancellation nearly led to a breaking of diplomatic relations between the two countries. A variety of explanations were offered for the sudden suspension of Pinochet's visit, including Pinochet's own that "international communism is also dominating the Pacific." An irony of Chile's foreign relations has been its close political and economic relations with China. Relations between the two countries were never severed. Explanations range from the Chilean government's—that communist China does not interfere in Chile's internal affairs—to that of government critics who point to the countries' mutual antipathy toward the Soviet Union.

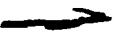
The Soviet Union and the communist governments of Eastern Europe, with one exception, suspended formal relations with Chile in the aftermath of the coup. Romania, in line with its relative diplomatic independence from Moscow, continued to maintain an embassy in Santiago in 1982. Other East European nations carried out trade with Chile on a small scale; Yugoslavia conducted consular relations. The only known diplomatic exchange between Chile and the Soviet Union involved the December 1976 exchange of prisoners that took place in Zurich, Switzerland. With the cooperation of United States and Swiss officials, Chile released Luis Corvalán, secretary general of the Chilean Communist Party, in exchange for the release of Soviet dissident Vladimir Bukovsky.

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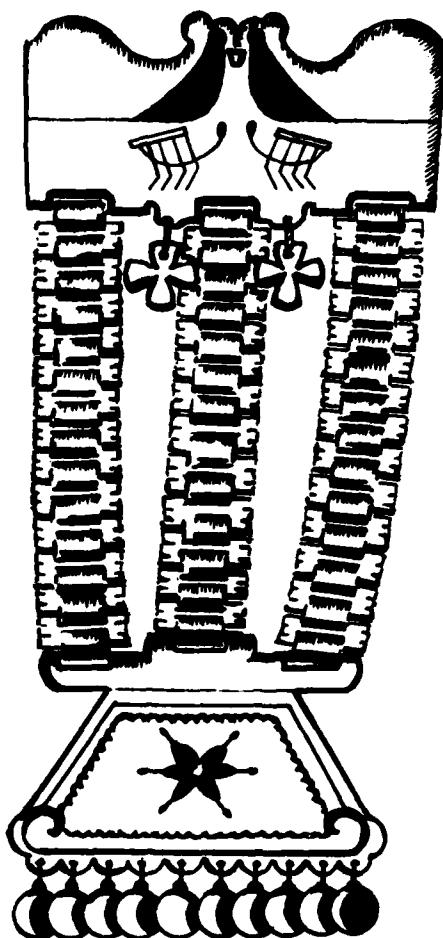
An English translation of the "Declaration of Principles of the Chilean Government" is available in a volume edited by Juan Carlos Méndez of the Chilean Budget Directorate entitled *Chilean Economic Policy*. By mid-1982 no English translation of the 1980 Constitution was yet available, although the OAS was expected to do so in the future. Scholarly studies of post-1973 Chile have been remarkably few, especially in light of the host of research conducted during the Allende presidency. Perhaps the most informative volume available in mid-1982 was Robert J. Alexander's *The Tragedy of Chile*. Thomas G. Sanders' various papers published by the American Universities Field Staff cover a wide range of topics in an excellent analytical fashion. The works of Karen L. Remmer contain helpful capsule summaries of the dynamics of political demobilization during the mid-1970s. Of particular value are a series of papers presented at a workshop entitled "Six Years of Military Rule in Chile" held at the Woodrow Wilson International Center for Scholars in Washington, D.C., in May 1980. These papers were to be published in 1982 under the title *Military Rule in Chile: Neo-liberalism and Dictatorship*, edited by Arturo Valenzuela and J. Samuel Valenzuela. Current

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Chilean political events are reported in the *Latin American Weekly Report*, published in London, and the *Foreign Broadcast Information Service: Daily Report, Latin America*, published in Washington, D.C. (For further information see Bibliography.)



Chapter 5. National Security



Silver jewelry commonly worn by Mapuche Indian women

THE CONSTITUTION OF the Republic of Chile, approved by plebiscite on September 11, 1980, and effective as of March 11, 1981, declares that the armed forces—army, navy, and air force—exist for the defense of the country and as a guarantee of “institutional” order. The forces of order and public security—carabineros (national police) and investigative police—exist to maintain law and order. The carabineros join with the armed forces in guaranteeing an institutional system.

The armed forces have a long, proud history—the army is recognized as the oldest regular army in Latin America—and although the country has not fought a war in this century, nineteenth-century victories are proudly commemorated by the present-day forces. A large measure of the pride of service felt by military officers stemmed from a devotion to professionalism, by which was meant adherence to the constitution. Since 1973, however, the military has governed the country, and under the 1980 Constitution General Augusto Pinochet Ugarte will remain as president, and a military junta consisting of the commanders in chief of the three military services and the director general of the carabineros will act as the legislative authority until 1989, and possibly longer. The coup overthrew the regime of President Salvador Allende Gossens, who had won a plurality in the popular election of 1970. For a variety of reasons, Allende’s coalition government was beset by internal and external problems for the very beginning, and three years into his six-year term Allende was deposed in one of the most violent coups ever seen in South America.

The army is the senior service in the Chilean forces, but the navy also traces its origins to the wars of independence from Spain in the early nineteenth century. The air force was created by the merger of army and navy air wings to form a separate service in 1930. The army in 1981 was by far the largest of the services, numbering about 53,000, including about 30,000 conscripts. Naval strength was about 24,000 of which only a small percentage were conscripted. The air force numbered about 15,000, all volunteers. All of the services relied on volunteers to fill technical positions and noncommissioned officer slots; conscripts served short tours, which precluded any benefit to the services from training them as technicians. The services seemed to have little trouble recruiting the needed volunteers.

The carabineros are a paramilitary force, which numbered about 27,000 in 1981. It shared police functions with the investigative police—a small plainclothes force—and the National Information Center, a centralized intelligence agency with some police functions.

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As leader of the forces that overthrew a Marxist government, Pinochet sees himself as the defender of Christian civilization against the ceaseless attacks of "godless communism." Having purged Chile of the Marxist influences of Allende and his followers, Pinochet expected strong support from the Western world instead of the condemnation that came in response to the violent coup that brought him to power and the authoritarian style of military rule in Chile.

The Armed Forces

Position in Government and Society

On September 11, 1980, President Pinochet celebrated the seventh anniversary of military rule in Chile by holding a controversial national plebiscite, which approved a new constitution by a two-to-one majority. Mentioned by name in the 1980 Constitution, Pinochet was given an eight-year term as president beginning on March 11, 1981. The possibility was left open that he might serve an additional eight-year term.

Constitutional Basis

According to the Constitution, all Chileans have a fundamental duty to honor the fatherland and to uphold the country's traditional values. They may be called on to defend the sovereignty of the nation and to contribute to the preservation of national security. Military service is compulsory for Chilean males, and those who are not legally exempted must be inscribed in the Military Register.

One of the principal differences between the 1980 Constitution and the law that it superseded is the inclusion of a section devoted exclusively to the armed forces and police. In five articles under the heading of Armed Forces and Forces of Order and Public Security, the basic laws governing the military and police are put forth. The armed forces as listed are the army, navy, and air force; the forces of order and public security are the carabineros and the investigative police (see Police, this ch.). The mission of the armed forces is detailed as the defense of the homeland and the maintenance of institutional order. The police mission is the enforcement of law and, supported by the armed forces when necessary, the guaranteeing of public order. Both the armed forces and the police are referred to in the Constitution as responsive rather than deliberative bodies; in addition they are described as being professional, hierarchical, and disciplined.

The president of the republic is constitutionally empowered to appoint the commanders in chief of the three armed forces and the director general of the carabineros. Officers appointed to these top positions are to be limited to four-year tours of duty, but this limitation does not become effective until the end of the so-called transitional period in 1989. The president, with the con-

currency of the National Security Council, is further empowered to order the retirement of the commanders in chief and the director general. He also directs the organization and deployment of the armed forces in accordance with the requirements of national security.

Appointments, promotions, and retirements of officers below the rank of general or admiral are made by decree according to the law and the regulations of the individual service. Appointments, promotions, and retirements in the investigative police are made in conformance with the specific laws governing that organization.

Military Background and Traditions

The Spanish conquest of the coastal area south of Peru began in 1535 when the conquistador Diego de Almagro entered the region at the head of an expeditionary force consisting of from 500 to 700 Spaniards and as many as 15,000 Indians. Almagro followed a route south from Cuzco that would be very near the present-day Pan American Highway, skirting Lake Titicaca and passing through the rugged Andean terrain of areas that later became Bolivia and northern Argentina. Near the site of present-day Salta, he turned westward to traverse the mountains and head toward the sea. Turning southward again the expedition moved through the area of present-day Copiapó and penetrated to the Río Maule, the approximate southern limit of the former Inca Empire (see fig. 1; fig. 2).

Months of hardships crossing the Andes had reduced Almagro's force considerably as thousands of Indians perished or deserted; nevertheless, it was still a formidable force as it made its way south. Among the Indians accompanying Almagro was Paullu Tupac, a member of the Inca royal family. The size of the force and the presence of a royal Inca should have ensured a peaceful march within the boundaries of the old empire, but the local Indians were unimpressed and fought the expedition constantly. Almagro returned along the coast and crossed the forbidding Atacama Desert in northern Chile before reaching Peru almost two years after his departure from Cuzco. The expedition that had hoped to find great quantities of gold and silver had found instead an apparently inhospitable land peopled by hostile Indians.

The tales of privation and hardship told by the survivors of Almagro's expedition discouraged further exploration and disheartened would-be adventurers for a few years, but by 1540 Pedro de Valdivia had recruited about 150 Spaniards and 1,000 Indians for a second expedition into Chile. Also a conquistador, Valdivia was a hero of the Peruvian civil wars and a rich encomendero (owner of a large estate). In financing the venture into Chile, Valdivia seemed to be giving up much more wealth than he could hope to recoup, but his expedition, in contrast to Almagro's, ap-

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peared to be one of exploration and settlement rather than of conquest and exploitation. Valdivia founded Santiago in 1541 and then generally contented himself with explorations confined to the area north of the Río Bío Bío for the remainder of the decade. Spanish probes south of the river, without exception, met with violent opposition from the Araucanian Indians (see Amerindian Population, ch. 2).

Concepción was founded in 1550 as a fortified town at the mouth of the Bío Bío; other forts were established at Valdivia, Villarica, and La Imperial (present-day Carahue, directly west of Temuco), but advances south of the Bío Bío were costly as the Araucanians contested every move. On Christmas Day of 1553 an Araucanian army of warriors on foot met and defeated a force of Spanish cavalry commanded by Valdivia. The Araucanians were led by Lautaro, a legendary cacique who had studied the Spaniards and their tactics during a period of captivity in which he served Valdivia as a groom. After his escape Lautaro convinced the Araucanian warriors that with superior numbers and tactics they could successfully engage the enemy despite the Spaniards' awesome horses, armor, and firearms. In the Christmas battle the Araucanians exhausted the cavalry with constant attacks and harassment by small units, then captured and killed Valdivia's small force. After that initial success the indigenous warriors rapidly adapted to European-style warfare and soon, using captured horses and weapons, they fielded their own cavalry against the invader. The Lautaro-Valdivia battle marked the beginning of a war that dragged on for more than 300 years; during most of that time the Araucanians fought the Spaniards and their Chilean descendants on equal terms.

After the death of Valdivia, Lautaro's forces enjoyed a series of victories that forced the abandonment of the southern settlements except the fort at Valdivia. The Spanish survivors made their way to Santiago, but that settlement was also endangered as Lautaro led a strong force north to attack the Spaniards at their principal site. Before reaching Santiago the Araucanians were intercepted and defeated by a Spanish force under Francisco de Villagra. Lautaro was killed in the surprise attack and his army dispersed. Santiago was spared probable destruction just as Spanish reinforcements arrived from Peru, beginning a flow of soldiers, arms, and money from Peru and Spain that was unusual among the Spanish-American colonies, which were supposed to be credits, not debits.

During the remainder of the sixteenth century the Araucanians frequently held the advantage in combat, and at times the Spanish position in the southern areas of the region was extremely tenuous. The resistance to the Spanish encroachment by the Araucanians was motivated only in part by their desire to retain their ancestral lands. Capture by the Spaniards meant execution or

slavery, and to the Indians slavery appeared to be merely a slower form of execution and one that frequently involved brutality and torture. Although the crown and the Roman Catholic Church attempted to ameliorate the barbaric treatment of the Indians, brutality—even depravity—was common. By the end of the century all of the Spanish settlements south of the Bío Bío had been overrun, forcing survivors to seek refuge in Santiago and other northern settlements. At about the same time the Spanish settlers in coastal areas came face to face with a new enemy as English, French, and Dutch pirates sacked and looted almost at will.

During the seventeenth and eighteenth centuries, warfare became profitable as the need for slaves increased and the sale of captured Indians brought continually higher prices. In 1646 the Spaniards and Indians tried to end the constant warfare by means of a treaty that recognized Araucanian sovereignty south of the Bío Bío, but the potential wealth from the sale of captives soon lured raiding parties back into Araucanian territory and combat resumed. A royal decree in 1674 forbade the enslavement of Indians, but officials in Chile—so distant from the crown in Spain—chose to ignore the edict as they enriched themselves in the slave trade.

The life of a soldier in the colony was certainly unenviable—military garrisons were small and isolated, warfare was unending, and rewards for the men in the ranks were meager. Soldiers and officers alike tried to take captives in battle to augment their small salaries. In the late seventeenth century the military subsidy, which had often been plundered by corrupt officials, practically ceased, leading to nonpayment of troops, shortages of matériel, and a breakdown of morale and discipline. The army was forced to live off the land and, even if peace could have been negotiated, the capture of Indians for sale as slaves had become almost an economic necessity. As the eighteenth century began, the Araucanian war, which had already taken as many as 40,000 Spanish lives and untold thousands of Indians, was no closer to resolution. Early in the eighteenth century the crown subsidy dried up completely, reducing the strength of the military to the point of ineffectiveness. The few soldiers in the scattered garrisons continued to abuse and provoke the Araucanians, causing a major uprising in 1723. Many settlers began to think of the army as a liability rather than a protective force; nevertheless, the war continued and because the army could neither defeat nor pacify the Araucanians, the area south of the Bío Bío remained a hostile frontier at the end of the century, a time when sentiments for independence were increasing among the colonists.

The sentiments for independence coalesced in various parts of Latin America, and the movements that developed were given added impetus in the early nineteenth century when, after invading Spain, Napoleon Bonaparte replaced the Habsburg royal fam-

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ily with Bourbons (see Independence, ch. 1). Although divided on the questions of independence, autonomy, or retention of the colonial status quo, Chilean activists moved generally toward full self-government during the period from 1810 to 1814 when rebel forces gained control over much of the colony. In 1814 the Spaniards gained the upper hand and defeated a patriot army at Rancagua, dispersing the rebel leadership and temporarily halting the struggle for independence. Bernardo O'Higgins, one of the Chilean military leaders who took refuge in Argentina after the Battle of Rancagua, returned in 1817 as second in command of the army of liberation led by José de San Martín. At Chacabuco, northeast of Santiago, the impetuous O'Higgins turned a planned feint into a genuine attack and routed the defending royalists. Two days later the liberators entered Santiago, effectively ending Spanish control of Chile. The Battle of Chacabuco is commemorated by present-day Chileans as a turning point in their country's fight for independence.

O'Higgins' prominence as a military leader led to his being named supreme director of the newly independent country. One of his first acts in that post was to order the creation of a national army. He directed Juan de Dios Vial Guzmán to recruit soldiers for an infantry battalion and Joaquín Prieto Vial to form an artillery unit. This military nucleus, precocious in that independence had not yet been declared and royalist forces had not yet capitulated, became the first Latin American regular army. The intense nationalistic fervor that abounded during the first heady days of independence ensured that recruitment for the new army would be quickly oversubscribed. On February 18, 1818, the first anniversary of the Battle of Chacabuco, O'Higgins issued the Declaration of Independence, and two months later that independence was secured as San Martín's forces defeated the Spanish army commanded by General Mariano Osorio in one of the bloodiest battles ever fought in South America. The Battle of Maipo was later recognized as one of the major engagements of the entire Latin American independence struggle.

In any list of the heroes of the liberation wars against Spain, O'Higgins' name must follow those of Simón Bolívar and San Martín. In the Chilean history of that period he stands without peer. Circumstances beyond his control rather than personal deficiencies forced O'Higgins to resign as supreme director, but before he departed he took steps toward creating a navy, which was badly needed for the protection of Chile's ports and trade routes. Forced into exile, O'Higgins never returned to Chile.

Another military leader, Ramón Freire y Serrano, succeeded O'Higgins, and for a time it appeared that Chile would be afflicted with contending warlords as were some of the other newly independent countries. But in 1830 some semblance of order was achieved. Forces led by Freire fought a pitched battle against

those of his archrival, Prieto, at Lircay; Freire was forced to follow O'Higgins into exile. Although the Battle of Lircay brought some internal stability, the armed forces were soon engaged against external enemies as war broke out against a confederation formed by Peru and Bolivia. General Manuel Bulnes Prieto, leader of the Chilean army that defeated the confederation in 1839, won such great popular acclaim that he later rode into the presidency. In office Bulnes (1841-51) surprised his critics by becoming a president in fact rather than the military caudillo that many people expected.

In 1879 Chile once more engaged in open warfare against the combined forces of Peru and Bolivia. Known as the War of the Pacific, this was one of the most serious conflicts fought by Latin American countries during the nineteenth century and one that changed the established boundaries of the belligerents. War was precipitated by economic conflict. A great deal of Chilean money had been invested in Bolivia, and Chilean workers in large numbers had been employed in the Bolivian mineral extraction industries around the town of Antofagasta, then part of Bolivian territory. Chile reacted to Bolivian pressures on its investors and workers, and because Peru and Bolivia had entered into a secret alliance, the resultant warfare involved the three neighboring countries rather than only Chile and Bolivia. When the war broke out, Chile's small regular army was deployed primarily on the Araucanian frontier; reserves were few in number and were poorly trained and equipped. The navy at that time had only two ships that were considered seaworthy, but because the Bolivian and Peruvian forces were in even worse condition, the Chileans trounced the opposing forces, occupied Lima, and annexed territories belonging to the vanquished foes (see *Independence*, ch. 1). Peru lost two southern provinces, and Bolivia lost its access to the ocean. In the early 1980s revanchist sentiments were still prominent in Bolivia and Peru, and annual victory commemorations continued in Chile.

During the War of the Pacific the Chilean army grew from a small frontier force of about 2,500 officers and men to a battle-hardened field army of about 45,000. Its rapid successes against the combined enemy boosted the morale and confidence of the Chilean force and, when the fighting ceased, large numbers of well-equipped units became available for the pursuance of the country's seemingly interminable war against the Araucanians. Because of superior weapons, communications, and transportation the Chilean army finally defeated the Araucanian nation, and more than 330 years after the battle between Valdivia and Lautaro, the Indians were brought under control. The conclusion of the Araucanian war and the War of the Pacific did not end the need for maintaining armed forces, however. Argentina, Bolivia, and Peru loomed as possible adversaries, convincing the Chilean

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authorities that their army should be modernized rather than demobilized. Toward that end they imported Lieutenant Colonel Emil Körner, formerly of the German army, to professionalize the armed forces. As assistant director of the Military School and founder of the War College, Körner exerted substantial influence on the direction of military training and in so doing nurtured the development of a military elite.

Körner eventually became a naturalized Chilean citizen, attaining high rank and important commands in the army. He recruited several European (mostly German) officers to assist him in professionalizing and prussianizing the army. Körner did not find the Chilean army officer corps to be a prestigious institution attracting the sons of the country's aristocracy. Under his tutelage, however it became an elite, but that status derived from the professionalization of its members rather than from their family backgrounds. Young aristocrats who did choose a military career usually opted for the navy where professionalization was taking place under strong British orientation rather than German. The army officer corps and the navy officer corps in effect formed two separate elites in the society, although they were thought of by civilians as one. They shared much in common, but each carefully guarded its independence from the other.

The War of the Pacific was the last major international conflict in which the Chilean armed forces actively participated. Final pacification of the Araucanians occupied the army but did not involve major battles or campaigns. Both the army and the navy took part in a civil war in 1891 during which the officer corps of the army were divided on the issues while navy officers maintained rigid cohesiveness. Political affiliations developed by military officers during that civil war lasted long into the twentieth century (see Parliamentary Government, 1891-1919, ch. 1). Chile was not a participant in World War I, but despite the German orientation of the army, sentiment in the country favored the Allies.

On September 5, 1924, a military junta ousted President Arturo Alessandri Palma and initiated a period of military rule. Several months later a new junta, led by Major Carlos Ibáñez del Campo and Marmaduke Grove, took over the government and invited Alessandri to return to the presidency. Before the end of 1927, however, Alessandri had once again been ousted, and Ibáñez had made himself dictator. Ibáñez ruled until 1931 when his resignation in the face of severe economic problems reduced the country to chaos. Civilian rule was reestablished in 1932, and the military remained in barracks until the 1973 coup returned a military junta to power. During World War II Chile did not break relations with the Axis countries until January 1943 and did not join the Allies (by declaring war on the Axis) until February 1945. By becoming a belligerent, the country became eligible for United States Lend-

Lease aid. No Chilean forces participated in the war.

Until the coup of September 1973 the military had a reputation for remaining aloof from the day-to-day political scene. The 1920s intervention into the governing process was looked on as an exception to the rule. It is true that the army was active politically in the early days of the republic, but except for brief episodes in 1851 and 1891, after stability had been achieved, the army left political affairs to the politicians. This changed, however, with the violent coup d'état of September 11, 1973, and with the subsequent years Pinochet frequently asserted that the military would stay in power until it was satisfied that the country was in no danger of communist attack or subversion.

The Military Coup

The right-wing plotting that brought down the Allende government in September 1973 had begun even before Allende was inaugurated in November 1970. General René Schneider Chereau, commander in chief of the army, was the first victim of the plot against Allende. Schneider, a strong supporter of constitutionalism, was so imbued with the Chilean military tradition of noninvolvement in politics that his advocacy of such restraint had become known as the Schneider Doctrine. In October 1970 Schneider was killed in an abortive kidnap attempt by a rightist group that hoped to blame left-wing extremists for the general's disappearance, thus arousing the officer corps to action in preventing the inauguration of the leftist president. Revulsion against the murder of Schneider inhibited the conspirators but did not end their activities. General Carlos Prats González, a firm believer in the Schneider Doctrine, was named commander in chief of the army and spent the next three years trying to keep the army in barracks and out of politics. Plotting went on apace within the officer ranks of the navy and the air force where there was even less sympathy for the leftist president than in the army. Meanwhile the political, social, and economic conditions in the country had become chaotic, and the Allende government was barely surviving the problems that beset it (see *The Allende Government, 1970-73*, ch. 1; Appendix B).

Observers of the Chilean scene during the 1970 to 1973 period were not taken by surprise by the coup d'état. There had been any number of indications of military discontent under the socialist government, and on June 29, 1973, that discontent resulted in the surrounding and shelling of the presidential palace by elements of a tank regiment under the command of an army colonel. General Prats personally led the forces that put down the uprising—a precursor to the coup that was to follow—and restored order in the capital.

On August 23, 1973, increasing military and political pressures brought about Prats' resignation. He was succeeded by General

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Pinochet, who was thought of as a protégé of his predecessor and a constitutionalist from the same mold as Prats and Schneider. Three weeks after becoming commander in chief, Pinochet led the coup that overthrew the Allende government and resulted in the death, officially termed a suicide, of the president.

The coup itself was a well-planned military action wherein the three armed forces and the carabineros collaborated and coordinated their activities in a most expeditious fashion. After the initial success of overthrowing the government, the military leaders banded together in a show of unity: Pinochet already commanded the army, and Air General Gustavo Leigh Guzmán had recently assumed command of the air force; Admiral José Toribio Merino Castro and General César Mendoza Durán took over the navy and the carabineros respectively.

At this time the coup was not unlike dozens of others that had taken place in Latin America (although not in Chile), but the new leaders then unleashed a purge that because of its violent nature and magnitude was heavily criticized throughout the world. People were rounded up by police and military patrols and herded into hastily prepared detention camps, one of which—the National Stadium—within a few days held thousands of prisoners. People living in workers' sections of the cities or in the slums reported late-night police raids and apparently arbitrary arrests and shootings. Hundreds (possibly thousands) of Chileans simply disappeared, while many others found refuge in embassies or consulates. Many years after the coup, Chileans still sought information about lost relatives or friends, and as late as 1979 and 1980 newly discovered mass graves revealed fresh evidence of the violence of late 1973.

Manpower and Expenditures

The personnel requirements of the armed forces in the early 1980s did not create excessive demands, considering the size of the population and the size of the manpower pool. Out of a total population of about 11.3 million there were approximately 2.7 million males between the ages of fifteen and forty-nine; of those, slightly more than 2 million were deemed fit for military service. The number of young men reaching age nineteen (military age) annually was about 110,000, which was more than four times as many as required for the entire annual class of conscripts.

The term of service set by law for conscripts was one year, but in practice conscripts were frequently transferred to so-called active reserve status after only nine months of active duty. The term of service in the active reserve status was twelve years, after which the reservist was transferred to a second reserve category where he remained until reaching age forty-five. Active reservists received little or no training, and the two classifications of reservists seemed to be based on priority of recall rather than on any status

of training or condition of readiness. In 1981 the number of army reservists was estimated at about 160,000; figures for naval and air force reserves were not available.

In their short tour of active duty, conscripts received basic military training and possibly also learned a few basic skills, such as driving and minor maintenance of vehicles. The government has also ordered that 10 percent of each conscript class be drawn from the illiterate sector of the society, a move that put an additional training burden on the armed forces. For the technical skills needed in any modern armed forces, Chile depended on volunteers who, after receiving advanced technical training, were expected to remain in service for several years if not for an entire career. In the early 1980s no up-to-date information on military pay scales and allowances was available, but pay, allowances, and retirement benefits for military personnel were considered adequate during the 1960s and early 1970s. Officers and noncommissioned officers received regular five-year increases for longevity, and allowances for duty at hardship posts increased basic pay substantially.

Annual rates of inflation during the Allende years brought chaos to the country's economy and, although the Pinochet government was able to control inflation to a considerable extent, annual rates in the late 1970s continued to be high enough to cause some problems in military budgets as well as in most other segments of the economy. Defense expenditures during 1979 ranged between 25 billion and 30 billion pesos (for value of the peso—see Glossary), amounting to at least 21 percent of the central government's budget for the year. Although no breakdown of military expenditures was available, personnel costs undoubtedly accounted for a large percentage of the total, thus limiting the amount allotted for new weapons and equipment (see Banking, Monetary, and Fiscal Policy, ch. 3).

Foreign Influences

Historically, the dominant foreign influences on the army and navy were German and British respectively. After World War II the United States became the dominant outside power, supplying the Chileans with large quantities of weapons and equipment; stationing army, navy, and air force personnel in the country as advisers; and funding the training of Chilean armed forces personnel in the United States and Panama. In the early 1970s relations between the United States and Chile were strained because of actions of the Allende regime, e.g., nationalizations, but the arrangements between the armed forces of the two countries were not affected. Shortly after the coup the United States recognized the new regime, but the official coolness between governments continued because of violations of human rights by the military junta. By December 1974 the increasingly difficult relations had led to a cutoff of military assistance. The International Security

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Assistance and Arms Export Control Act of 1976, enacted by the United States Congress, suspended the export of armaments to Chile under the Foreign Military Sales (FMS) program (see table 10, Appendix A). Having been cut off from United States aid or sales (except for items already in the pipeline), Chile sought other arms suppliers.

Britain, which in the past had been a supplier of ships, aircraft, and assorted weapons, banned all sales to Chile in 1974. Later, when the flow of United States FMS matériel also ceased, Chile turned to France, which was becoming a major supplier of arms to Latin America. In addition to Mirage aircraft, Chile also purchased light tanks, helicopters, antitank missiles, and surface-to-surface naval missiles from France. Other antitank missiles were reportedly purchased from companies in the Federal Republic of Germany (West Germany) despite that government's ban on arms sales to Chile. In late 1979 Chile arranged a multimillion dollar contract with Israel for the purchase of Shafrir air-to-air missiles and Uzi submachine guns. Contracts were made with Brazil for the construction of several naval patrol craft and some utility aircraft.

In late summer 1980 Austria canceled an agreement to sell 100 tanks to Chile. The socialist government of Chancellor Bruno Kreisky in Austria announced that on principle it could not sell arms to the authoritarian government of Chile. After the collapse of the Austrian deal, Chilean purchasing agents sought other suppliers capable of filling such an order, and near the end of the year the French maker of AMX tanks accepted a contract to sell fifty medium tanks to Chile; but in early 1982 the government of François Mitterand canceled the order after less than half the tanks had been delivered. Britain lifted its ban on the sale of arms to Chile in mid-1980 and by early 1982 was said to have sold three ships to the Chilean navy. As of mid-1982 congressional restrictions still prevented United States military sales to Chile. In anticipation of a possible ending of restrictions, the foreign assistance budget for fiscal year 1983 of the administration of President Ronald Reagan tentatively included US\$50,000 in military assistance to Chile (see Relations with the United States, ch. 4).

During the first three decades of the post-World War II period, Chilean officers and noncommissioned officers were sent routinely to Panama for training at the United States School of the Americas at Fort Gulick and at the Inter-American Air Forces Academy at Albrook Air Force Base. Many other Chileans attended classes at various military schools in the United States. During the same period American military personnel were stationed in Chile as advisers to that country's armed forces. Strained relations after the coup resulted in the withdrawal of American advisers at the same time that training of Chileans at United States facilities practically ceased.

In regional military affairs Chile joined Argentina, Bolivia, Colombia, Ecuador, Panama, Peru, and Venezuela in signing the Ayacucho Declaration in 1974. The agreement was aimed at limiting purchases of offensive weapons in order that each country might devote more of its resources to national development. The declaration gave rise to some limited agreements on the ban of certain kinds of weapons and led to discussion on a treaty to guarantee peace in the region, but no binding pact resulted. Although the Ayacucho Declaration remained in force in 1982, the record of arms purchases during the intervening years demonstrated that it had little, if any, effect on the signatory nations.

Chile was one of the original fifty-one members of the United Nations (UN), a charter member of the Organization of American States (OAS), and one of the original signatory states of the Inter-American Treaty of Reciprocal Assistance (Rio Treaty). The Rio Treaty stipulated that an attack on one American country would be considered an attack on all. In 1967 Chile joined thirteen other Latin American states meeting at Tlatelolco, Mexico, in signing the Treaty for the Prohibition of Nuclear Weapons in Latin America. As a member of the Inter-American Defense Board, Chile continued to send officers to the Inter-American Defense College at Fort McNair in Washington, D.C. A bilateral mutual assistance treaty between the United States and Chile that had existed since the early 1950s continued in force in 1982 despite intervening periods of strained relations.

External Threats to National Security

Chile shares borders with Argentina, Bolivia, and Peru. During the 1970s disputes arose with each of the neighboring countries, but by the end of the decade the separate problem areas had been addressed by diplomats rather than by armed forces (see Relations with Latin American Nations, ch. 4). The trouble between Chile and Argentina concerning the ownership of three small islands in the Beagle Channel brought the two countries to the brink of war in 1978. The islands themselves appeared to have few resources but because of offshore oil, mineral, and fishing rights could be of great value. In 1978 both countries mobilized: Argentina instituted air raid drills and blackouts in Buenos Aires; Chile sent its naval combat squadron south on hastily arranged maneuvers. Both countries increased their purchases of armaments, and war seemed imminent when Pope John Paul II intervened with an offer to mediate. The antagonists agreed to settle their differences peacefully and demobilized while awaiting results from the papal mediation, which was still under way in mid-1982.

Chile's problems with its two northern neighbors, Bolivia and Peru, stem from the losses of territory by those countries resulting from the War of the Pacific and the revanchist sentiments that continue to be prominent 100 years later. In mid-1980 the newly

installed president and commander in chief of the Bolivian armed forces stated publicly that Bolivia should regain its access to the sea by force if necessary. In 1975 Chile had proposed that Bolivia might establish a corridor to the ocean through lands that Chile took from Peru in the War of the Pacific, but the Peruvians, who by treaty had to agree to any such agreement between Chile and Bolivia, proposed an alternative plan that called for joint control over the coastal portion of the corridor by all three nations. Bolivia also objected to the Chilean proviso that Bolivia transfer some of its territory to Chile in return for its acquisition of a corridor to the sea. The level of rhetoric was reduced after 1980, but Chile kept a wary eye on Bolivia as that country went through internal upheaval, and Peru and Chile continued to view each other as natural rivals.

One further external problem that seemed to be perceived as a threat by the Pinochet regime came from exiles. Among an estimated 1 million Chileans living abroad were 45,000 to 60,000 political exiles who escaped or were forced to leave because of their connections with or sympathy toward the Allende government. During the mid-1970s there were attempts to organize the exiles—the Popular Unity Front, for example—but little was heard in the late 1970s and early 1980s concerning exile activities. In the early years after the coup, potential exile leaders were the targets of assassination squads. General Prats and Orlando Letelier were blown up in their automobiles in Buenos Aires and Washington respectively, and another former political leader, Bernardo Leighton, narrowly escaped a similar fate in Rome. The passage of time plus the absence of strong leadership and organization would seem to preclude any concerted action by Chilean exiles.

Organization, Administration, and Training

Approval of the 1980 Constitution by national plebiscite apparently ensures that the Chilean armed forces will retain control of the government for several years into the future (see *System of Government*, ch. 4). Whereas a collegial leadership of the commanders in chief of the three armed services and the carabineros initially existed after the 1973 coup, Pinochet gradually maneuvered into a position of sole leadership. On the organizational chart the army, navy, air force, and carabineros are subordinated to the Ministry of Defense, but the minister, as a cabinet officer, is responsible to the president (see fig. 9). In practice the defense ministry had become the administrative organ for the armed forces; military policymaking and decisionmaking were functions of the president assisted by the junta.

The Constitution provides for the establishment of the National Security Council, designed to be the principal advisory group on matters of defense and security. Membership of the council comprises the president, the four junta members, and two top civilian

officials. The president is chairman of the council. General Pinochet, who was commander in chief of the army at the time of the coup, became president of the governing junta and, a short time later, president of the republic. He did not retire from the army, however, nor did he give up his position as commander in chief of that service until March 1981, when Lieutenant General César Benavides Escobar was named commander in chief of the army and placed on the junta by Pinochet, who then left the junta while remaining an active-duty army officer and president of the republic. As president, Pinochet became constitutionally responsible for national security and internal order; thus the members of the junta were in effect his subordinates in defense and security affairs. His superiority was also marked by his being the only military officer with the unqualified rank of general.

Two of the four junta members—Admiral Merino of the navy and General Mendoza of the carabineros—dated their membership to the 1973 coup. The third, General Benavides of the army, took Pinochet's position in March 1981. The fourth member, Air General Fernando Matthei Aubel, was appointed to the junta and made commander in chief of the air force in July 1978 after his predecessor, Air General Leigh, differed publicly with Pinochet. After almost five years as one of Chile's top leaders, Leigh made statements critical of the junta that were published in the Italian newspaper *Corriere della Sera*. Stating "Chileans have an old tradition of freedom and democracy, and their freedom cannot be denied them indefinitely," Leigh outlined a timetable for a return to civilian rule within five years. Leigh was also known to have been unhappy with Pinochet's personal consolidation of power at the expense of other members of the junta. Less than a week after the appearance of the critical statements, Leigh was forced to retire. Eight other air force generals who were senior to General Matthei also had to retire. Ten other air force generals who did not outrank General Matthei resigned in protest against the firing of Leigh.

Army

The army in 1982 was outmanned and outgunned by the army of Argentina and the army of Peru, two countries with which Chile had serious disagreements during the 1970s. Deficiencies were particularly noticeable in the Chilean armor inventory, which showed that the entire complement of main battle tanks consisted largely of the obsolete M-4 Sherman tank acquired almost thirty years earlier from the war surplus stocks of the United States. Fifty modern French AMX-30 medium tanks were ordered to rectify the situation, but in February 1982 the French government, citing Chilean human rights violations, suspended further deliveries after only twenty-one tanks had been received.

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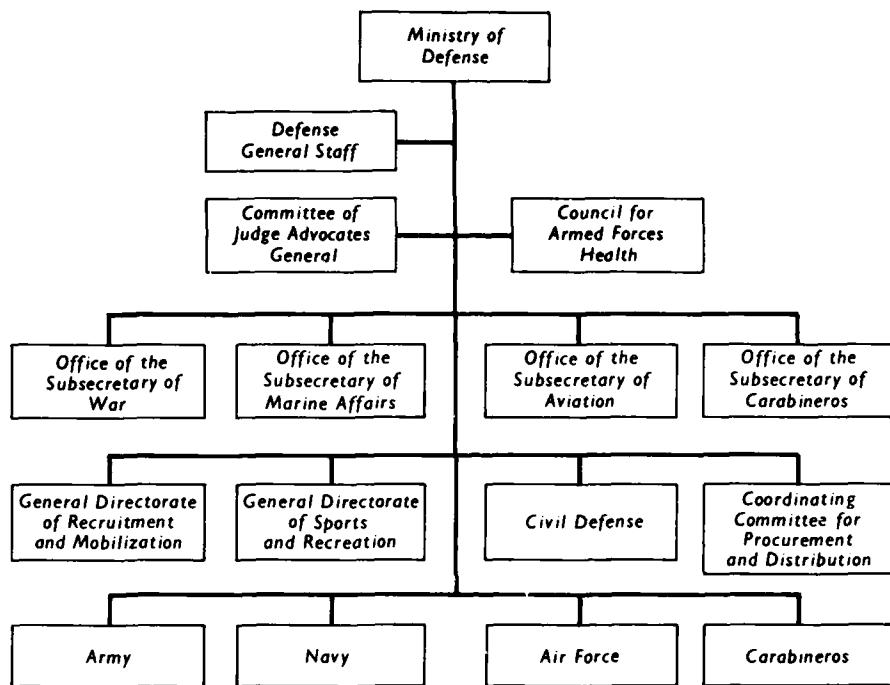


Figure 9. Organization of Ministry of Defense

Of approximately 120 light tanks, forty-seven were French AMX-13S, but the remainder were either obsolete or obsolescent. The junta had increased the size of the military budget during its years in power, but the government's initial economic woes plus the rapidly escalating cost of weapons and equipment limited the results of increased spending (see *Position in Government and Society*, this ch.).

The army was organized territorially into six numbered divisions, the headquarters of which were located at Antofagasta (first), Santiago (second), Concepción (third), Valdivia (fourth), Punta Arenas (fifth), and Iquique (sixth). The number of troops stationed in and around Santiago at the various army schools and assigned to the Santiago army garrison could probably make up a seventh division. The strength of the divisions varied according to the number of regiments assigned and the number of battalions in each regiment. Routinely the strength of a division was probably comparable to a United States brigade, but regiments were moved around to increase the strength of the northern divisions (sixth and first) during the crisis period with Peru during the late 1970s, and the Punta Arenas division was reinforced during the Beagle Channel crisis of 1978.

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National Security

Infantry, cavalry, and artillery regiments, although assigned to divisions, were the key tactical units of the Chilean army, and many of the named regiments have long, proud histories. Some carry such regional names as the Buin, Copiapó, and Tacna regiments, and others have traditional military titles, such as the Grenadiers. Other combat units included paratroops and special forces of undisclosed size and assignment. Combat support was provided by engineer, signal, transportation, and ordnance units. Other support branches included medical, veterinary, chaplain, and military justice. In 1981 there were twenty-four infantry, seven cavalry, and six artillery regiments. Nine of the infantry regiments were motorized. Six of the regiments were specially trained and equipped for mountain duty. The cavalry regiments included three armored, three horse, and one helicopter-borne regiments. The artillery regiments were often referred to as artillery groups. As opposed to the other services, the army hierarchy had a position of deputy commander in chief. This post was created in 1977 by Pinochet, probably to ease his military burdens. The incumbent in 1980 was Lieutenant General Washington Carasco Fernández. The army chief of staff in 1980 was Division General Julio Canessa Robert.

The three principal sections of the army staff—sometimes called directorates—were operations, intelligence, and logistics. Personnel matters were the responsibility of the director of logistics. A separate staff section handled training and supervised all army schools. There were also staff sections for engineers, communications, ordnance, finance, military justice, chaplains, and reserves.

Navy

In contrast to the German influence that predominated in the army, from the late nineteenth century the navy was heavily influenced by the British. Organized by order of O'Higgins under the direction of a former officer of the British navy, Admiral Thomas Cochrane, the Chilean force first saw action under Cochrane's command in the 1821 invasion of Peru. The seven ships that made up the invasion fleet were all commanded by British or United States officers, and about one-third of the personnel were foreign mercenaries. Employing English methods of training and battle tactics, Cochrane built Chile's first fleet into an effective naval force. Naval missions from the United Kingdom perpetuated the English influence in Chilean naval affairs until the late 1930s, but after World War II the advisory role was taken over by naval personnel from the United States. In 1979 the United States advisory mission was withdrawn.

Overall naval strength in 1981 was estimated at 24,000; the officer corps numbered about 2,000. The navy had little trouble recruiting, and most of its personnel were volunteers who in-

tended to make a career in the service. Conscripts serving in the navy in 1981 numbered only about 1,600. A marine infantry force of about 3,000 men was also included in the total strength. The marines were organized in battalion-size units deployed at Iquique, Valparaíso, Talcahuano, and Punta Arenas. Marines were also assigned to shipboard duties in the naval combat squadron. A naval air arm, operating from bases at Valparaíso and Talcahuano, had a strength of approximately 500 men operating about twenty-four fixed-wing aircraft, including eight combat planes and some thirty helicopters that were used primarily for transportation, liaison, antisubmarine patrol, and search and rescue. There was no separate coast guard organization; therefore the navy also had the responsibility for patrolling Chile's long coastline.

Combat ships included cruisers, destroyers, frigates, submarines, torpedo boats, and assorted patrol craft. Support ships included a wide variety of tugs, tankers, freighters, patrol craft, and research vessels. The training ship *Esmeralda*, one of the world's so-called Tall Ships, is a four-masted schooner that has facilities for the training of eighty midshipmen. With few exceptions Chile's combat ships were reaching obsolescence by 1980. Two of the three active cruisers had been commissioned in the United States Navy in 1938 and transferred to Chile after World War II. The third cruiser was built in Sweden and commissioned for that country's navy in 1947. Chile's two most modern destroyers were both Almirante class, built in England on Chilean order and commissioned in 1960. The remaining four destroyers were former United States ships commissioned during World War II and later transferred to Chile. Two of the five frigates were British Leander class, which were built for Chile in the early 1970s and equipped with surface-to-surface and surface-to-air missiles. The other three frigates were former United States ships, converted for present duties and armed with conventional guns (see table 11, Appendix A). The patrol craft were mostly of 1960s and 1970s vintage, although up to six Reshef-class patrol boats were commissioned between 1979 and 1981, and twenty smaller craft were purchased from Brazil during those years. In 1980 construction began in West Germany on two Type 209 submarines for sale to Chile.

Naval affairs were directed in 1980 from the main naval headquarters in Santiago by Admiral Merino, who continued in his dual role as commander in chief of the navy and member of the governing military junta. In his military role Merino was assisted by the chief of the naval staff and by the commander of the combat squadron. For administrative purposes and for tactical deployment of ships and personnel, the country was divided into three geographic sectors called naval zones. The First Naval Zone was headquartered at Valparaíso; the Second at Talcahuano; and the

Third at Punta Arenas. At times admirals commanding naval zones have concurrently served as intendants of regional governments (see *The Military Government*, ch. 4).

In June 1980 the United States Department of State announced that Chile, because of its failure to make a serious effort to investigate and prosecute three Chilean ex-intelligence officers in connection with the Letelier murder case, would be excluded from the twenty-first annual inter-American naval maneuvers known as Operation Unitas (see *Relations with the United States*, ch. 4). Merino reacted angrily, saying that Western Hemisphere defense against communist incursion was being endangered for political reasons. Rear Admiral Ronald McIntyre Mendoza, commander of the Chilean combat squadron, reiterated Merino's remarks, stating that the excellent navy-to-navy relations that had existed between the United States and Chile should not be threatened by politics. In 1981 Chile was again included in the Unitas exercise.

Air Force

Chile's first interest in military aviation, just before World War I, culminated in the sending of several army officers to Europe for flight training and the study of aircraft construction and maintenance. Those first military pilots established a Chilean flight school after their return from Europe, and the army was soon operating two squadrons of five planes each. A naval air arm was established in 1919, and in 1930 the two elements combined to form a separate air force. Fifty years later the air force had a strength of about 15,000 and operated over 300 aircraft (see table 12, Appendix A). Out of the total number of planes, fewer than eighty were combat aircraft in 1979 when the government took steps to strengthen its air combat capability by contracting to buy twenty Mirage-50 jet fighter-bombers from France (see *Position in Government and Society*, this ch.). By 1981 eight of the Mirage craft had been incorporated. The missions of the air force include defense of the country against hostile air actions, counterinsurgency, transportation, reconnaissance, and search and rescue. Major air bases were located at Los Cerillos near Santiago, Cerro Moreno near Antofagasta, Puerto Montt, and Punta Arenas.

The air force in 1981 was an all-volunteer service commanded by Air General Matthei, who was assisted by the chief of the air staff, Air Brigadier General Javier Lopetegui Torres. Matthei and Lopetegui were the only air force generals remaining on active duty after the firing of General Leigh and the exodus of general officers who left the air force with him in 1978. The number of air force generals on active duty in 1981 was not available.

The basic operational unit in the air force was the group, which consisted of one squadron plus assorted support units. The number and kind of aircraft assigned to a group varied widely depending on mission and aircraft on hand. Of the twelve groups that

were operational in 1981, the most important was numbered Group IV, which consisted of the newly arrived Mirage fighter-bombers.

Training

Ever since the prussianization of the army under Körner in the late nineteenth and early twentieth centuries, the schools and training programs of the Chilean army have had excellent reputations and have routinely drawn students from several other Latin American countries (Position in Government and Society, this ch.). One of the early actions of the civilian government that took control of the country in 1830 after the postindependence chaos was the establishment of the Military School in an effort to professionalize the officer corps and institutionalize the army. The Military School provided the country with a corps of professional, apolitical army officers that was envied by many other Latin American governments. The school's reputation was greatly enhanced by the reforms instituted by Körner during the 1890s, and succeeding governments consciously tried to maintain high academic levels.

The Chileans continued to emphasize the importance of education and training, and the armed forces school system was as highly thought of in the 1970s as it had been during earlier periods of the country's history. The five-year course at the Military School included three years in which the emphasis was on academic subjects and two years in which military subjects predominated. The education of midshipmen and air cadets was similar to that given to army cadets.

Advanced military education was provided to officers of all services at the National Defense Academy, which was administered and operated by the Ministry of Defense in Santiago. Successful completion of the high command course at the academy was a prerequisite to promotion to general or flag officer rank. At times high-level civilian governmental officials were also enrolled in courses at the National Defense Academy.

Army branch and specialist schools included the Infantry School in San Bernardo (near Santiago), the Artillery School in Linares (south of Talca), the Armor School in Quillota (east of Viña del Mar), the Engineer School at Tejas Verdes (near Santiago), the Signal School in Santiago, the Mountain School in Río Blanco (near Los Andes), the Noncommissioned Officers School in Santiago, and the Paratroop and Special Forces School at Colina Air Base. Advanced schools for army officers included the War College and the Military Polytechnic Academy; attendance at these professional schools was a prerequisite to advancement in rank. Traditionally the military schools had been free of political indoctrination in keeping with the constitutionalist philosophy of

the forces. Whether or not that tradition continued under military rule was not known in 1982.

Uniforms, Ranks, and Insignia

Körner's nineteenth-century Prussian influence on the Chilean army continued to be evident in the early 1980s in the gray service uniforms and the German-style helmets worn on parade. Ceremonial units also affected the exaggerated goose step, so reminiscent of German armies. The tunic of the army officer's uniform buttoned up the front to the high collar and was worn without necktie. Officers also wore a white tunic and dark trousers on dress occasions. The design and material of army combat and fatigue uniforms were similar to uniforms worn by United States troops. Officers' insignia of rank was worn on shoulder boards or epaulets; enlisted rank chevrons were worn on the upper sleeves of shirts or tunics (see fig. 10; fig. 11). The lowest army officer rank was *alférez* (ensign), which ranked below second lieutenant and for which there was no comparable rank in the United States Army.

Naval uniforms and rank insignia were similar to those used by the United States Navy. Navy blue was the uniform color, and officers wore gold stripes beneath a gold star on the sleeve cuff to designate rank. There was no rank equivalent to that of the army *alférez*. There were three admiral grades, but the highest, known simply as admiral (*almirante*), was reserved for the commander in chief of the navy. Officers wore dress blues, dress whites, service whites, and khakis. On some uniforms, shoulder boards were worn to display rank. Enlisted rating badges were worn on the left sleeve.

Air force uniforms were of a darker blue material than that of the United States Air Force but not as dark as navy blue. Officers' dress and service uniforms were of the same color, but rank insignia (worn on the lower sleeve) were of gold braid or light blue cloth respectively. On white formal uniforms, rank insignia were worn on shoulder boards. Air force and navy officers' rank insignia were similar in number of stripes and ranks designated, but air force stripes were only about half as wide as navy stripes. Air force enlisted personnel had the same number of rank classifications as their army counterparts and used the same titles, e.g., subofficers, sergeants, corporals, and soldiers.

Because the country had not engaged in a war in the past century, there were no campaign medals or combat awards, but a number of decorations, awards, and orders existed to recognize distinguished service, longevity, or valor. Medals or ribbons were worn on the left breast of the dress or service uniforms.

Public Order and Internal Security

Police

In the 1980 Constitution the police are called the Forces of

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ARMY	UNITED STATES EQUIVALENT	NAVY		AIR FORCE		UNITED STATES EQUIVALENT
		2d Lieutenant	1st Lieutenant	Alférez	1st Lieutenant	
						
						
						
						
						
						
						

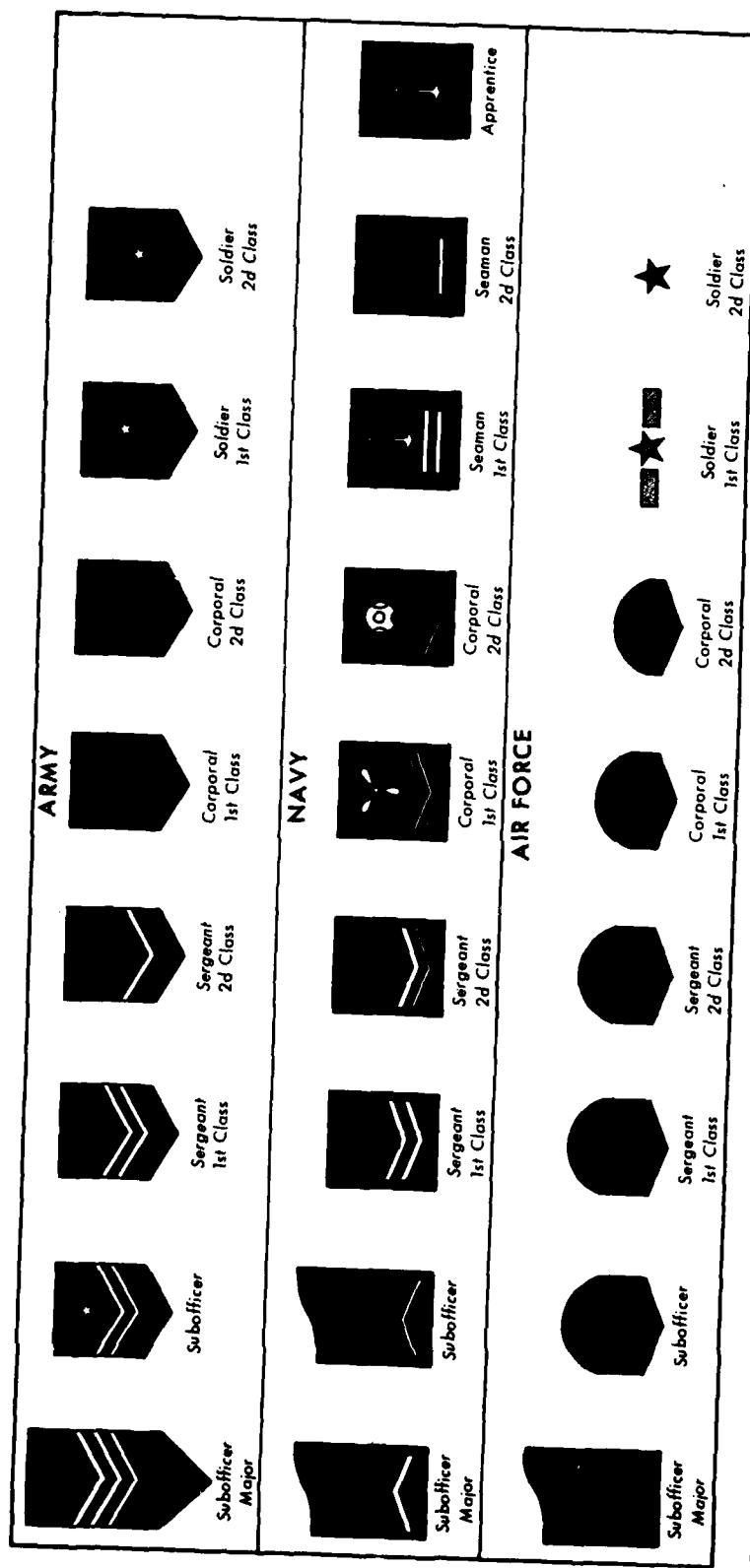
There is an United States equivalent for the rest of broader

2. The ranks of brigadiers and general de exercito have gold stars: all other stars on army insignia are silver

3 There is no Chilean equivalent for the ranks of admiral and lieutenant general. The terms Almirante and Leytenant General are used to denote the equivalent ranks in the Chilean Army.

Figure 10. Officer Rank Insignia and United States Equivalents, 1982

National Security



Order and Public Security (Fuerzas de Orden y Seguridad Pública) and comprise the carabineros (Carabineros de Chile) and the investigative police (Investigaciones). The president is not specifically designated as the supreme chief of the country's police, nor is he named as the commander in chief of the armed forces; nevertheless, the Constitution leaves no doubt about who is in charge. The president is made responsible for internal security and defense and is given the power of appointment and dismissal of the top police officials as well as the commanders in chief of the three armed forces. Furthermore, the appointments, promotions, and retirements of commissioned officers of all services are directed from the office of the president. In mid-1982, after a series of incidents that during the previous two years had proved damaging to the morale and public image of each of the three police forces, Pinochet ordered the creation of a Police Coordination Committee to improve ministerial coordination.

According to the Constitution the police exist to enforce the law and to guarantee public order and internal security as directed by the Constitution and by other basic laws of the country. The people are guaranteed basic rights—life, liberty, the inviolability of the home, and so forth—but the law provides exceptions. Homes may be entered, property seized, or arrests made without prior warrants, for example, when the police are carrying out duties in combating crime or when a national emergency exists. The military junta decreed the existence of a state of siege from 1973 until 1978 at which time a state of emergency was declared that continued in force in mid-1982 (see Criminal Justice, this ch.). After the 1973 coup the police were not constrained by constitutional admonitions against the violation of individual rights, resulting in a continual flow of complaints about arbitrary arrests and police brutality and charges that arrested persons were tortured or killed—or simply disappeared. After October 1977 confirmed reports of disappearances ceased. “Although there continue to be sworn statements reporting the use of force in some interrogations” (in 1981 sixty-eight persons filed complaints with the courts of having been tortured), according to the *Country Reports on Human Rights Practices for 1981* of the United States Department of State, “treatment of prisoners and general police procedures have improved.”

The Carabineros

At the beginning of 1982 the strength of the carabineros was estimated at 27,000. That figure included a relatively small number of policewomen, who were generally assigned to Santiago and other major urban centers. The carabineros are a paramilitary force that is organized and trained to complement the regular armed forces if called upon to do so in a national emergency. Grouped with the military forces in the Constitution, the carabi-

neros are described as being obedient and nondeliberative and, further, as professional, hierarchical, and disciplined. The Ministry of Defense is charged with the administration of the carabineros (see fig. 9).

The carabineros are an armed, uniformed force that is employed countrywide, performing all of the functions usually attributed to urban and rural police departments. The force developed from colonial times when the first Chilean police unit was organized for the protection of the citizenry of Santiago against armed bands of outlaws. The Santiago force grew after independence, and other centers of population also organized police forces. Early in the twentieth century these forces were incorporated into the army, and the militarized policemen were known as gendarmes. President Ibáñez, needing a counterpoise to the army to ensure his hold on executive power in the late 1920s, withdrew the police forces from the army, merged them into one organization under the Ministry of Interior, and called them the Carabineros de Chile. Ibáñez, himself an army officer, gave the command of his new, 20,000-strong police force to an army general who was a close friend and supporter and transferred many army officers (all loyal Ibañistas) to become commanders of police units. Despite its political beginnings the new organization was soon transformed into a very professional force that assumed the responsibility for the internal security of the entire country. Frederick M. Nunn in *The Military in Chilean History* states that Ibáñez' creation became "South America's finest national police force."

The carabineros in 1982 were an all-volunteer force that demanded higher physical and mental qualifications of its recruits than those demanded of conscripts entering the armed forces. The force operated its own schools and training facilities, and despite close cooperation and coordination of some joint ventures, it has carefully nurtured its independence from the military since its establishment by Ibáñez. After the 1973 coup the subordination (for administrative purposes) of the carabineros was transferred from the Ministry of Interior to the Ministry of Defense. Its director general, César Mendoza Durán, had held that post and his membership on the governing junta since the coup. His headquarters was located in Santiago, but the force was deployed from one end of the long, narrow country to the other.

As the center of almost one-third of the total population and as the nation's capital, Santiago had the largest contingents of police. It was also the hub of the communications network that tied together the far-flung police posts. The capital's large number of police precincts and separate detachments reported to several police prefectures, which in turn reported to the general prefecture in keeping with the constitutionally prescribed hierarchical structure. The general prefecture is directly subordinate to the

director general's headquarters. The organization of some special detachments in the capital and other cities—riot control units, for example—was similar to that of military battalions. Under a headquarters were operational units and support units comparable to the companies, platoons, and squads of an infantry battalion. The policemen assigned to such units were trained to handle various kinds of individual weapons, tear gas launchers, grenades, and the high-powered water throwers used to disperse crowds.

In the past the carabineros generally enjoyed the respect of the people despite the fact that as the agents of law and order they were the first contact the ordinary citizen had when involved in illegal activity or, at times, when the police were called to break up demonstrations or strikes. The police were frequently involved in first aid or rescue missions, took part in civic action programs, and aided in educational efforts in the remote areas of the country. These activities often overshadowed the negative aspects of police work, and the public attitude toward the force was rather good. The reputation suffered subsequent to the coup, however, as carabineros were alleged to have participated, albeit to a lesser extent than the National Intelligence Directorate (Dirección de Inteligencia Nacional—DINA) and the National Information Center (Central Nacional de Informaciones—CNI), in the widespread abuse of police powers. The public image of the carabineros reached a low point in early 1982 after two of its officers were arrested for a series of psychopathic murders in Viña del Mar. Shortly after the arrests, a number of high carabinero officers were replaced, and rumor had it that Mendoza might also soon be asked to resign.

The Investigative Police

The organization known simply as Investigaciones is a plain-clothes civilian investigative agency that works very closely with the carabineros and various intelligence agencies. The investigative police remained subordinate to the Ministry of Interior, and its director general reported directly to the minister. The director general in mid-1982 was a retired army brigadier general, Fernando Paredes Pizarro. Strength of the force was variously estimated from 2,500 to 3,500, but no firm figures were available at that time.

Paredes had headed the investigative police since 1980, after police investigations of a number of terrorist incidents by a group calling itself the Avengers of the Martyrs found the perpetrators to be agents of the investigative police. At that time, the previous director general resigned abruptly, as did the chief of the Santiago detachment and the chief of the homicide section of the investigative police. The latter was arrested, and the Avengers of the Martyrs disappeared as quickly as they had appeared, but the

damage done to the public image of the investigative police was still apparent two years later.

The National Information Center

The CNI, which had been established by decree-law on August 12, 1977, continued to function as Chile's chief intelligence agency and secret police organization in mid-1982. During its nearly five-year existence, the CNI had faced a major problem in trying to live down the reputation established by its predecessor, DINA. Also a junta decree-law creation, DINA began operations as an ad hoc commission shortly after the coup and was institutionalized in June 1974. Its personnel, drawn from the armed forces and police, were given powers of arrest that they used in an apparent attempt to rid the country of all residual leftist influences. During its three-year tenure DINA became notorious both at home and abroad. Its agents were indicted in the assassination of Letelier in the United States and were alleged to have masterminded the assassination of General Prats in Argentina as well as the attempted assassination of Leighton in Italy. Because of embarrassment caused by these incidents, Pinochet issued the order abolishing the agency in 1977, and its director, General Juan Manuel Contreras S^epulveda, was forced to retire.

In the law establishing CNI the new agency was described as a military organization that constituted an integral part of national defense in performing its duties of collecting information to be used by the government in making plans and formulating policies. Despite its description as a military organization, it was subordinated to the Ministry of Interior rather than the Ministry of Defense. DINA had been directly responsible to the president and the junta. The law states that the director of CNI will be an active-duty officer, not lower than brigadier general or equivalent in rank, and it empowers him to establish the internal rules that govern the organization. Provision is also made to establish secret funding for CNI operations. Although the establishing law does not specifically give CNI agents the power of arrest, an article that extends the existing gun control law to cover the CNI carries implicit power of search and arrest, and such powers have been used freely by CNI personnel. The director is also empowered to coordinate the activities of all other intelligence-gathering agencies, that is, the intelligence sections of the army, navy, air force, carabineros, and investigative police.

Despite the change in name and stronger accountability of CNI to a political hierarchy, the new intelligence organ retained a number of similarities to the disbanded DINA. Many of the guidelines used in the law that established DINA were repeated for the new organization, and many DINA agents were incorporated into the CNI. The first director of the CNI, Division General Odlanier Mena Salina of the army, stated in an interview that

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the CNI was performing the same functions in Chile as those performed in the United States by the Central Intelligence Agency, the Federal Bureau of Investigation, and the Secret Service. In mid-1980, after the assassination of the director of the Army Intelligence School, Mena was replaced by Brigadier General Humberto Gordon Rubio, a close confidant of Pinochet. There had been considerable speculation in mid-1981, after a June incident in which five CNI agents were implicated in a bank robbery and double murder in the northern city of Calama, that Gordon would be replaced. A year later, however, he remained in his post after a reorganization (details of which were not made public) of the CNI.

Although human rights abuses abated significantly after the demise of DINA, the CNI continued to be the object of much criticism during its first five years of existence. Instances of persons "disappearing" (alleged to have been executed and secretly buried or dropped into the ocean after being detained by police) ended abruptly when the CNI came into being, but in 1982 numerous allegations arose that many recent shootouts between police and suspected leftists were, in fact, staged executions. "This is the method that has been used to replace the disappearances of people," according to Andrés Domínguez Vial, coordinator of the Chilean Human Rights Commission. At that time the CNI remained the main target of complaints of arbitrary arrest, torture, and other forms of cruel and degrading treatment during confinement.

Criminal Justice

At the time of the coup the country's constitution was set aside, its legislature disbanded, and its political parties made impotent. For the next four and one-half years, an officially proclaimed state of siege existed, coloring all law enforcement and legal procedures by injecting military courts into the system at all levels. After overthrowing the government, the junta declared that a condition of "internal war" existed, which was the highest category of the state of siege. The fact that there was no war did not lessen the impact of the decree, which imparted wartime powers to the junta.

At the end of the first year the level of the state of siege was reduced to a condition of "internal defense," a lesser degree but one that made little or no difference to junta prerogatives. At the end of the second year, that is, on September 11, 1975, the level was again lowered to a condition of "internal security," wherein the military courts operated according to peacetime rather than wartime guidelines. The UN General Assembly in a report entitled *Protection of Human Rights in Chile* in 1976 was highly critical of the state of siege, stating that there had been no justification for any of the levels. According to the UN, even under the

junta's own decree-laws there had been no internal war during the first year, no threat calling for internal defense during the second year, or for internal security thereafter.

On March 11, 1978, exactly four and one-half years after its establishment, the state of siege was lifted to be replaced by the state of emergency. The new condition restored a larger measure of control to the civilian judiciary, although military courts continued to hear a number of cases against civilians, including all those involving violations of the arms control law. A February 1981 decree granted jurisdiction to a Military Council of War in all cases involving attacks on government personnel. The state of emergency was renewed by decree every six months as the earlier condition had been.

Civilian judges are career officials. As in other countries having a legal system inspired by Roman law, there is no trial by jury. The judge serves as prosecutor, sometimes as defense attorney and, of course, as the one who decides the innocence or guilt of the accused. Heavy reliance is placed on the police report as evidence.

Criminal justice is applied in Chile according to the Penal Code that existed at the time of the coup and continued in use thereafter. The code had its roots in one drawn up in the 1870s, modified in the 1920s, and redrawn in 1930. That code had dropped the death penalty as a punishment, but it was reinstated for certain crimes in 1937. The code is divided into general and specific sections, one concerning the general principles of criminal law and the other defining specific offenses. Crimes are categorized according to seriousness, and the code recognizes that juvenile delinquency warrants special handling.

The code requires high qualifications for civilian judges and magistrates. Judges in criminal cases must not only be acquainted with the law but must also have training in psychology and sociology. They should possess knowledge of jurisprudence, criminology, history of crime and punishment, prevention of crime, penal legislation, and penal procedures. The code stresses that its fundamental purpose is prevention, and rehabilitation of the offender is a foremost goal. To the existing Penal Code, the military junta added decree-laws and, until 1978 under the state of siege, sent most so-called political cases to military tribunals rather than to the country's regular courts.

Punishments under the code include the death penalty for parricide or treason and, for military personnel, for mutiny or sedition. Although the death penalty is permitted and is sometimes demanded by prosecutors, it has not been formally used since 1974. Other punishments include deprivation of freedom, disqualification from certain professions or from public office, and loss of political rights. Among ancillary punishments provided in the code are injunctions to keep the peace, public surveillance, soli-

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tary confinement of prisoners, placing prisoners in chains or irons, and holding prisoners incommunicado. Fines or imprisonment for up to sixty days or combinations of both are penalties for minor offenses. The code recommends that fines be made proportionate to the individual's ability to pay. Suspended sentences are permitted, usually to first offenders, but the person under a suspended sentence is restricted in choice of residence and must submit to regular supervision by authorities.

Under the military government, courts increased the use of the penalties of banishment and internal exile. Such sentences have been handed down for violations of the State Security Law, another decree-law of the junta, which, for example, forbids political discussions at public meetings. The transitional articles of the 1980 Constitution grant Pinochet the power to order the exile (either internally or externally) or prevent the entry of any persons into Chile. In such a case Chileans have no appeal to the courts. Previously, courts had barred the reentry of some Chileans who left the country of their own accord after the coup.

Incidence of Crime

There is an inherent difficulty in analyzing the crime situation because of the confusion in sorting out dissident behavior, which the government brands subversive, from ordinary criminal behavior. The confusion arises because the government and media are prone to lump the two distinct activities together under the single heading of "Crime." For example, increasing crime in late 1979—particularly robberies, armed robberies, and burglaries—gave rise to media talk about a crime wave. Occurring at the same time were political crimes, such as the exploding of bombs near the homes of officials, the vandalizing of government offices, and attacks on official cars. The regime-oriented daily *El Mercurio* linked all of these activities in an editorial deplored the "crime wave," whereas the police attributed much of the ordinary crime to inflation, unemployment, and widespread poverty. In the early 1980s bank robberies, assassinations, and shootouts with police were often attributed by officials to left-wing extremist organizations, although skeptics often pointed to rightist provocateurs or to government agents themselves as being responsible for at least some of the incidents.

Figures on crime and criminals released by the Chilean National Institute of Statistics were not very enlightening as to the actual status of crime in the country. The statistics included figures on juveniles brought to trial, categorized according to age-group and offense; figures on adults apprehended by the carabineros and the offenses for which they were apprehended; and figures on adults apprehended by the investigative police during the same years, categorized according to whether they were arrested during investigations or arrested on suspicion. There were no breakdowns

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of figures according to sex in either the juvenile or adult categories, and there were no statistics on prison populations.

No determination can be made as to whether juvenile crime is average for the size of the population, below average, or excessive. There is no comparison with earlier years. Some of the categories of crime for which juveniles were brought to trial were running away from home, drunkenness, larceny and grand larceny, inflicting damage on property or persons, vagrancy, and a large number simply listed as "Other."

The categories of adult crimes listed in the statistics included drunkenness (seemingly a large number), inflicting injury or damage, homicide (not an alarming number), larceny, and grand larceny. For each year the largest number of apprehensions by far—two-thirds of the total or more—was found under the heading "Other." Undoubtedly this catchall heading included political arrests. According to the United States Department of State, there were 525 such security-related arrests in 1981.

Penal System

Little information is available concerning prison regimes or prison conditions in Chile, particularly in regard to the treatment of ordinary criminals as opposed to those confined for political offenses or political crimes. Much has been written through the years concerning the maltreatment of prisoners, but almost without exception those reports refer to political detainees. UN and OAS committees investigating violations of human rights have been allowed only limited on-site inspections. A July 1978 inspection of prisons by a UN working group resulted in protests being lodged with the Chilean government over its failure to separate political and nonpolitical prisoners while in detention.

In the 1960s it was known that about 124 penal facilities were operated under the direction of the central government, which employed the guards and administrative personnel under the supervision of the Prison Administration. Operation of the system was a function of the Ministry of Justice. About twenty of the correctional institutions were for women and were run by nuns. A few institutions were for juvenile offenders, and the law required that juveniles be segregated even where separate facilities were not available. A prison farm maintained on an island off the coast near Concepción housed inmates who were considered not dangerous and who lived in a condition of semifreedom. There were also systems under which prisoners worked for the state either in prison factories or outside on public works projects, while others worked on contract or lease for outside employers who contracted with the state for prison labor. It is reasonable to assume that much of this system of handling ordinary (nonpolitical) prisoners has continued under the military government, but lack of information prevents confirmation of details.

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When the surge of political prisoners overflowed existing facilities at the time of the coup, various sites including the National Stadium in Santiago were pressed into service as detention camps. At the same time, some naval vessels were used as prison ships. The junta also used the so-called naval prison on Dawson Island, located at the southern tip of Chile, as a prison for political prisoners. Eventually, as temporary camps were being emptied, several sites were used as prison facilities for detainees who had been indicted or convicted by military courts and/or for offenses against the arms control law. Initially these included Puchuncaví in Valparaíso and Tres Alamos and Cuatros Alamos in Santiago. In 1982 it was not known if these detention centers were still in operation, although such detainees continued to be held in the maximum-security Victoria Prison, as well as in San Bernardo Penitentiary, Santiago Penitentiary, the Santiago Public Prison, the Juvenile Detention Center, the Center for the Rehabilitation of Women at Talagante, La Serena Penitentiary, de Talca Penitentiary, Valparaíso Prison, Rancagua Prison, and Concepción Prison.

The Public Prison of Santiago housed over 1,800 inmates in a facility built for 600. Serious rioting erupted in February 1980 when guards discovered an escape tunnel; carabineros had to be called to assist in quelling the disturbance in which one prisoner was killed and twenty injured.

Guard personnel are referred to as gendarmerie, and the prison system was operated by the General Directorate of Prisons under the supervision of the Ministry of Interior. The official in charge of the gendarmerie in 1981 was retired Colonel Sergio Rojas Brugues.

Internal Threats to National Security

In the early 1980s the government continued to voice concern about subversive elements within the society. For example, descriptions of the continued existence within Chile of internationally financed groups of Marxists figured prominently in Pinochet's justification for retaining virtually unfettered power until at least 1989. At times the dimension, and even the existence, of this threat was highly controversial. In 1976 a group of United States congressmen returning from a trip to Chile had said in a joint statement that the military junta was "battling an internal enemy which they are convinced exists, an enemy which has no guns, no financial means, no media expression, an amorphous enemy which the Chilean government describes as part of the 'international Marxist conspiracy.'" By the early 1980s, however, few doubted that a violent leftist opposition did exist, although the true nature and extent of its operations were clouded by exagger-

ated propaganda of both the government and its critics.

In early May 1980 eleven members of a so-called commando unit of the Unitary Popular Action Movement (Movimiento de Acción Popular Unitaria—MAPU) were arrested in the town of Curicó, about 175 kilometers south of Santiago. MAPU was originally formed by a dissident group that split off from the Christian Democratic Party (Partido Demócrata Cristiano—PDC) in 1969 and later became part of Allende's Popular Unity coalition. MAPU, in company with other political parties, was proscribed by the Pinochet regime. The group arrested in Curicó was said to be armed and in possession of subversive literature, including plans for armed robberies to secure funds for its antigovernment activities. Police later pointed out that the "extremist cell" had members from the outlawed Socialist Party of Chile (Partido Socialista de Chile—PSCh) as well as from MAPU, and they had possessed "a sizeable quantity of weapons and ammunition." The group was turned over to military authorities for trials by courts martial on charges of violating the Arms Control Law and the State Security Law. A short time later a group of twenty-three persons were arrested in Antofagasta, charged with being members of the outlawed Communist Party of Chile (Partido Comunista de Chile—PCCh), membership in which constitutes a violation of the State Security Law.

Although occasional references to MAPU and to Socialists and Communists are seen in the Chilean press, most of the accounts of subversive activities involve members of the Movement of the Revolutionary Left (Movimiento de Izquierda Revolucionaria—MIR). This radical left-wing organization was founded by students at the University of Concepción in 1965. Avowedly Castroite, the MIR advocated armed revolution, and when its members turned to acts of violence, the organization was proscribed by President Eduardo Frei Montalva in 1969. The party then went underground and resurfaced only after the election of Allende in 1970. The MIR did not join Allende's leftist coalition but chose instead to reiterate its earlier advocacy of violent revolution, ridiculing Allende's attempt to achieve socialism by peaceful means. MIR activities brought frequent clashes with the police, and the party became a particular problem to Allende when it urged the landless peoples of the south to seize private farms. Allende was extremely reluctant to call out the troops against a Chilean leftist group, but in holding back he damaged his own credibility with the military and centrist politicians.

The MIR reportedly suffered heavy losses during the coup but remained viable as an underground opposition and went on to become the bête noire of the military regime. *Miristas* (members of the MIR) suffered serious setbacks during 1974 and 1975. Although most of their leaders were dead or captured, their membership rolls were decimated, and they seemed

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doomed to extinction, the organization survived and new leaders installed to continue operations against the military government. The MIR was headed by Andrés Pascal Allende, a nephew of the deposed president, who lived at various times in Mexico and Cuba and allegedly occasionally returned clandestinely to Chile. His calls for violent resistance to the military government through sabotage and assassinations greatly disturbed Chilean authorities. An increase in such incidents in 1981 and early 1982 was attributed by some to his secret presence in Chile.

* * *

There is no body of literature devoted specifically to national security affairs in Chile. For the historical background, several histories and biographies in English provide excellent accounts of military development and military-civilian relations during the varied historical epochs. As a general survey beginning with the conquistadors of the 1530s to the military rulers of the 1970s, Brian Loveman's *Chile: The Legacy of Hispanic Capitalism* is excellent. For a detailed look at Spaniard versus Indian in the early colonial period, Eugene H. Korth's *Spanish Policy in Colonial Chile* is an intriguing study. The story of the struggle for independence and the role of one of Chile's first great heroes is well told by Jay Kinsbruner in *Bernardo O'Higgins*. Two books by Frederick M. Nunn are important: *The Military in Chilean History: Essays on Civil-Military Relations, 1810-1973* and, for an account of the Chilean military's first venture into government in the twentieth century, *Chilean Politics, 1920-1931: The Honorable Mission of the Armed Forces*. Such publications as *Jane's Fighting Ships*, *Jane's All the World's Aircraft*, and John Keegan's *World Armies* are convenient references. (For further information see Bibliography.)

Appendix A

Table

- 1 Conversion Coefficients and Factors
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Appendix A

Table 1. Conversion Coefficients and Factors

When you know	Multiply by	To find
Millimeters.....	0.04	inches
Centimeters.....	0.39	inches
Meters.....	3.3	feet
Kilometers.....	0.62	miles
Hectares (10,000 m ²)	2.47	acres
Square kilometers.....	0.39	square miles
Cubic meters.....	35.3	cubic feet
Liters.....	0.26	gallons
Kilograms	2.2	pounds
Metric tons.....	0.98	long tons
.....	1.1	short tons
.....	2,204	pounds
Degrees Celsius	9 divide by 5 and add 32	degrees Fahrenheit

Table 2. Estimated Population by Region, 1981

Region		Population
Number	Name	
I	Tarapacá	245,068
II	Antofagasta.....	317,769
III	Atacama.....	202,591
IV	Coquimbo.....	422,080
V	Valparaíso.....	1,252,338
	Metropolitana de Santiago.....	4,363,026
VI	Libertador General Bernardo O'Higgins	573,527
VII	Maule	714,167
VIII	Bío Bío	1,493,593
IX	La Araucanía.....	661,448
X	Los Lagos	873,248
XI	Aisén del General Carlos Ibáñez del Campo.....	64,743
XII	Magallanes y Antártica Chilena	110,488
TOTAL.....		11,294,086

Source: Based on information from Chile, Instituto Nacional de Estadísticas, *Compendio Estadístico, 1981*, Santiago, 1981, pp. 38-39.

*Table 3. Labor Force by Sector,
March 1980 and September 1981
(in thousands)*

Sector	March 1980	September 1981
Employed		
Commodity-Producing Sectors		
Agriculture, forestry, and fishing.....	587	603
Mining	78	73
Manufacturing	599	514
Construction.....	193	225
Total Commodity-Producing Sectors	1,457	1,415
Employment in Services		
Commerce.....	517	578
Government and financial services	310	339
Personal services	410	409
Community and social services	320	361
Total Employment in Services	1,557	1,687
Transportation, communications, and public utilities	233	234
Other	7	9
TOTAL EMPLOYED.....	3,254	3,345
Unemployed	444	471

Source: Based on information from Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 647, January 1982, 208-09.

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Table 4. Area and Production of Selected Agricultural Products, 1978
(area in thousands of hectares; production in thousands of tons)

Agricultural Product	Area	Production
Wheat.....	580	893
Corn	94	257
Barley.....	64	125
Oats	75	93
Rye.....	11	11
Rice (unmilled).....	33	105
Beans.....	112	112
Lentils	32	19
Peas	17	16
Potatoes	91	981
Onions.....	5	129
Squash.....	n.a.	130
Tomatoes	n.a.	160
Oilseeds.....	58	85
Tobacco.....	4	17
Fruits		
Deciduous.....	34	340
Citrus.....	12	110
Other.....	24	158
Beef and Veal.....	---	184
Lamb	---	22
Pork	---	37
Chicken.....	---	58

n.a.—not available.

---not applicable.

Table 5. Summary of Central Government Budget, 1975-80
(in millions of current United States dollars)

	1975	1976	1977	1978	1979	1980
Expenditures						
Debt service	410	566	489	546	738	1,353
Other	<u>1,976</u>	<u>1,974</u>	<u>2,546</u>	<u>3,095</u>	<u>4,092</u>	<u>5,489</u>
Total						
Expenditures.....	2,386	2,540	3,035	3,641	4,830	6,842
Revenues						
Direct taxes	616	514	634	789	1,256	1,656
Indirect taxes.....	1,270	1,384	1,747	2,196	2,870	3,864
Copper.....	177	352	353	331	840	976
Nontax revenue	96	62	77	195	210	501
Total Revenues	2,159	2,312	2,811	3,511	5,176	6,997
Deficit (-indicates surplus)	227	228	224	130	-346	-155

Source: Based on information from Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 646, December 1981, p. 2933.

Table 6. Summary Exports by Commodity Group, 1976-80
(in millions of United States dollars)

Commodity Group	1976	1977	1978	1979	1980
Traditional Exports					
Copper	1,246	1,187	1,202	1,800	2,200
Iron ore.....	86	82	80	110	158
Nitrate and iodine.....	41	40	47	58	89
Molybdenum	46	54	47	194	229
Fish meal	61	86	106	153	234
Paper	33	34	28	32	35
Wood pulp.....	88	86	116	181	231
Cardboard.....	9	9	9	16	14
Other	2	0	0	0	0
Total Traditional Exports.....	1,612	1,578	1,635	2,544	3,190
Nontraditional Exports					
Agriculture	86	127	158	184	244
Livestock products.....	25	23	28	38	37
Forestry products.....	1	1	2	3	2
Fish	7	8	16	40	57
Processed food	49	83	30	120	142
Beverages.....	7	8	10	28	21
Wood manufactures....	29	70	94	165	286
Printing and paper products.....	6	6	5	9	18
Chemical products.....	65	78	106	128	163
Basic metal products ...	95	103	143	306	279
Metal-mechanical products.....	53	37	56	60	64
Other manufactures....	48	68	75	138	315
Total Nontraditional Exports	471	612	773	1,219	1,628
TOTAL EXPORTS...	2,083	2,190	2,408	3,763	4,818

Source: Based on information from Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 628, June 1980, p. 1155; and Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 647, January 1982, p. 126.

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Table 7. Summary Imports by Commodity Group, 1976-80
(in millions of United States dollars)

Commodity Group	1976	1977	1978	1979	1980
Consumer Goods					
Agricultural origin.....	9	13	19	33	40
Processed foods.....	39	89	114	137	383
Pharmaceuticals.....	18	24	42	47	59
Automobiles.....	0	0	41	117	203
Other	<u>88</u>	<u>240</u>	<u>380</u>	<u>518</u>	<u>809</u>
Total Consumer Goods	154	366	596	852	1,494
Capital Goods					
Machinery and equipment.....	238	322	368	494	612
Transportation equipment.....	172	261	283	382	601
Other	<u>1</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>6</u>
Total Capital Goods	411	586	653	879	1,219
Intermediate Goods					
Materials from agriculture.....	247	155	283	277	358
Materials from industry.....	264	358	407	545	801
Spare parts.....	104	127	228	267	340
Fuels and lubricants.....	392	446	480	889	960
Other	<u>112</u>	<u>222</u>	<u>355</u>	<u>508</u>	<u>650</u>
Total Intermediate Goods	1,119	1,308	1,753	2,486	3,109
TOTAL IMPORTS	1,684	2,260	3,002	4,217	5,822

Source: Based on information from Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 628, June 1980, pp. 1166-71; and Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 647, January 1982, p. 148.

Table 8. Summary of Balance of Payments, 1976-80
(in millions of United States dollars)

	1976	1977	1978	1979	1980*
Current Account					
Exports	2,116	2,185	2,460	3,835	4,705
Imports	-1,655	-2,417	-3,243	-4,708	-5,469
Capital services (net)	-326	-365	-489	-675	-930
Other services (net)	-15	-29	114	279	-390
Unilateral transfers (net)	28	75	70	80	113
Current Account Balance	148	-551	-1,088	-1,139	-1,971
Autonomous Capital Movements					
Private (net)	320	463	1,233	1,765	n.a.
Public (net)	-85	-19	655	449	n.a.
Total Autonomous Capital	235	444	1,888	2,214	n.a.
Compensatory Capital Movements					
Central bank (net)	-414	-113	-712	-1,087	n.a.
Commercial banks (net)	-36	128	58	38	n.a.
Total Compensatory Capital	-450	15	-654	-1,049	n.a.
Errors and Omissions	67	92	-146	-6	n.a.
NET BALANCE OF PAYMENTS	450	-15	654	1,049	1,244

n.a.—not applicable.

*Provisional data subject to revision.

Source: Based on information from Chile, Banco Central de Chile, *Boletín Mensual* [Santiago], No. 647, January 1982, pp. 114-15.

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Table 9. Regional and Provincial Subdivisions

Number	Region Name	Regional Capital	Province	Provincial Capital
I	Tarapacá	Iquique	Arica Iquique	Arica Iquique
II	Antofagasta	Antofagasta	Tocopilla Antofagasta El Loa	Tocopilla Antofagasta Calama
III	Atacama	Copiapó	Chañaral Copiapó Huasco	Chañaral Copiapó Vallenar
IV	Coquimbo	La Serena	Elqui Limari Choapa	La Serena Ovalle Illapel
V	Valparaíso	Valparaíso	Valparaíso San Antonio Quillota Petrera San Felipe Los Andes Isla de Pascua	Valparaíso San Antonio Quillota Petrera San Felipe Los Andes Isla de Pascua
		Santiago	Santiago	Santiago
VI	Metropolitana de Santiago Libertador General Bernardo O'Higgins	Rancagua	Cachapoal Colchagua	Rancagua San Fernando

Table 9. (Continued)

Number	Region Name	Regional Capital	Province	Provincial Capital
				VII
VIII	Bío Bío	Concepción	Nuble	Concepción
IX	La Araucanía	Temuco	Arauco	Arauco
X	Los Lagos	Puerto Montt	Bio Bio	Bio Bio
			Malleco	Malleco
			Cautín	Cautín
			Valdivia	Temuco
			Osorno	Valdivia
			Llanquihue	Osorno
			Chiloé	Llanquihue
XI	Aisén del General Carlos Ibáñez del Campo	Coihaique	Aisén	Chiloé
			General Carrera	Chile Chico
			Capitán Prat	Cochrane
XII	Magallanes y Antártica Chilena	Punta Arenas	Última Esperanza	Puerto Natales
			Magallanes	Punta Arenas
			Tierra del Fuego	Porvenir
			Antártica	
			Chilena	Puerto Williams

Source: Based on information from Chile, *Mapa de Chile, Santiago, 1977*; and "New Province Created," *Foreign Broadcast Information Service: Daily Report, Latin America*, 6, No. 161, August 18, 1980, p. E3.

*Table 10. United States Military Aid and Sales to Chile,
Selected Fiscal Years, 1950-79*
(in thousands of United States dollars)

Program	Selected Fiscal Years	Fiscal Year				
		1974	1975	1976*	1977	1978
Foreign Military Sales	1955-73	4,747	12,288	39,183	56,038	11,233
deliveries	41,742					8,211
Commercial arms	1971-73					
sales.....	3,589	1,819	568	1,427	1,357	0
Military Assistance	1950-73					
program	79,978	10	479	0	0	0
International Military	1950-73					
Education and	15,099	1,149	632	0	0	0
Training Program.....						

*Fiscal year includes transitional quarter for changed calendar.

Source: Based on information from U.S. Department of Defense, Security Assistance Agency, *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of September 1981*, Washington, 1981, pp. 4, 9, 10, 41, 42, 71, 72.

Table 11. Major Combat Ships, 1980

Type	Name	Crew	Armament and Aircraft	Remarks
Cruiser	<i>O'Higgins</i>	900 to 1,000	15x120mm guns, 8x127mm guns 28x40mm AA guns, 20x20mm AA guns, 1xhelicopter	Ex-U.S.S. <i>Brooklyn</i> . Launched in 1936; purchased by Chile in 1951. Refitted in 1977-78
	<i>Prat</i>	900 to 1,000	-do-	Ex-U.S.S. <i>Nashville</i> . Launched in 1937; purchased by Chile in 1951.
	<i>Almirante Latorre</i>	600	7x120mm guns, 4x57 AA guns, 11x40mm AA guns, 6xtorpedo tubes	Ex-Swedish <i>Göta Lejon</i> . Launched in 1945; purchased by Chile in 1971.
Destroyer	<i>Almirante Riveros</i>	266	4xExocet launchers, 2xquad Sea Cat launchers, 4x102mm guns, 4x40mm AA guns, 6xtorpedo tubes, 2xSquid depth charge mortars	Built in England on Chilean contract. Launched in 1958. Refitted in early 1970s in England.
	<i>Almirante Williams</i>	266	-do-	
	<i>Blanco Encalada</i>	250	4x127mm guns, 6x76mm AA guns, 5xtorpedo tubes, 2xHedgehog	Ex-U.S.S. <i>Wadleigh</i> . Launched in 1943; transferred to Chile under MAP* in 1964.
	<i>Cochrane</i>	250	-do-	Ex-U.S.S. <i>Rooks</i> . Launched in 1944; transferred to Chile under MAP* in 1963.
	<i>Ministro Zenteno</i>	274	6x127mm guns. 2xtriple MK32 TT, 2xHedgehog, 1xhelicopter	Ex-U.S.S. <i>Charles S. Sperry</i> . Launched in 1944; purchased by Chile in 1974.

Table 11. (Continued)

Type	Name	Crew	Armament and Aircraft	Remarks
	<i>Ministro Portales</i>	274	-do-	Ex-U.S.S. <i>Douglas H. Fox</i> . Launched in 1944; purchased by Chile in 1974.
Frigate	<i>Condell</i>	263	4xExocet, 1xquad Sea Cat, 2x114mm guns, 2x20mm AA guns, 6xtorpedo tubes, 1xhelicopter.	British Leander class. Built in England on Chilean contract. Launched in 1972.
	<i>Almirante Lynch</i>	263	-do-	British Leander class. Built in England on Chilean contract. Launched in 1973.
	<i>Serrano</i>	209	1x127mm gun, 6x40mm AA guns, 2xHedgehogs, 2xdepth charge racks	Ex-U.S.S. <i>Odum</i> . Launched in 1944 as high speed transport—APD modernized. Purchased by Chile in 1966.
	<i>Oreilla</i>	209	-do-	Ex-U.S.S. <i>Jack C. Robinson</i> . Launched in 1944 as high speed transport—APD modernized. Purchased by Chile in 1966.
	<i>Uribe</i>	209	-do-	Ex-U.S.S. <i>Daniel Griffin</i> . Launched in 1943 as high speed transport—APD modernized. Purchased by Chile in 1966.

*Military Assistance Program.

Source: Based on information from *Jane's Fighting Ships, 1980-81*, (Ed., John E. Moore,) New York, 1980, pp. 90-97.

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Table 12. Air Force Aircraft Inventory, 1981

Type	Description	Quantity*	Manufacturer	Country of Manufacture
Combat	A-37/B counterinsurgency	34	Cessna	United States
	F-5E/F fighter	18	Northrop	-do-
	Mirage 50 fighter/bomber	8(12)	Dassault	France
	Hunter F-71 fighter/ground attack	16 to 20	Hawker Siddeley	Britain
Transport and utility	Hunter T-77 fighter	4	-do-	-do-
	DHC-6	16	De Havilland	Canada
	DHC-3	3	-do-	-do-
	C-47	8	Douglas	United States
Trainer	C-118 (DC-6A/B)	7	Beechcraft	-do-
	Twin Bonanza	3	Lockheed	-do-
	C-130H	2	Beechcraft	-do-
	T-34A	30	Cessna	-do-
Helicopter	T-37B	25	-do-	-do-
	Hawk XP	18	Hawker Siddeley	Britain
	Vampire T-22/25	11	Beechcraft	United States
	BE-99	9	Cessna	-do-
Helicopter	T-41	8	Hawker Siddeley	United States
	T-25 Universal	10(20)	Neiva	Brazil
	Hunter T-77	4	Fokker	Britain
	F-27	1	CASA	Netherlands
Helicopter	C-101	1(n.a.)	Bell	Spain
	UH-1H	10	Fairchild	United States
	UH-12E	10	Aerospatiale	-do-
	Puma	1	France	France

n.a.—not available.

* The number on order is in parentheses.

Source: Based on information from International Institute for Strategic Studies, *The Military Balance 1981-82*, London, 1981, p. 78.

Appendix B

Chronology of Significant Political and Economic Events During Allende Period: September 1970 to September 1973

September 4, 1970: Popular Unity candidate, Salvador Allende Gossens, captured 36.3 percent of the vote in Chile's presidential election, defeating National Party candidate, former President Jorge Alessandri Rodriguez (34.9 percent), and Christian Democratic Party (Partido Demócrata Cristiano—PDC) candidate, Radomiro Tomic Romero (27.8 percent), to become the first democratically elected Marxist leader in Latin American history.

September 13, 1970: Speaking at a rally in Santiago, Allende warned that the country would be paralyzed by his supporters if the National Congress did not confirm his election as president.

September 23, 1970: The Chilean finance minister reported that "financial reaction in the week following the election [had] provoked a credit and banking crisis." He also said that the inflow of capital from abroad had stopped and warned that unemployment would spread.

September 30, 1970: In an interview published in the *New York Times* on October 4 Allende asserted that pure Marxist governments had never existed; he described the government he would shortly lead as a "nationalist, popular, democratic and revolutionary government that will move toward socialism." He rejected the possibility of totalitarian government in Chile.

October 9, 1970: Constitutional amendments providing for certain democratic guarantees, largely formulated by the Christian Democrats and accepted by the Popular Unity coalition, were introduced in the Chilean Congress. The guarantees included limits on government interference in political parties, private and nonprofit education, and the armed forces. (Congress passed the guarantees on December 21, and President Allende signed them into law on January 9, 1971.)

October 22, 1970: Martial law was declared in Santiago after the shooting of Army General René Schneider Chereau, Chilean army commander in chief, reportedly by right-wing elements angry at his failure to take military action against Allende. General Schneider died from his wounds on October 25.

October 24, 1970: The Chilean Congress voted 153 to 35 in favor of Allende over Alessandri.

October 28, 1970: General Roberto Viaux, leader of an abortive army mutiny in October 1969, was arrested in connection with the assassi-

Material from September 4, 1970, to March 4, 1973, is an edited and condensed version of a chronology prepared by Arthur J. Ryneerson, Foreign Affairs Analyst, Congressional Research Service, Library of Congress, for the Subcommittee on Inter-American Affairs, Committee on Foreign Affairs, House of Representatives, United States Congress.

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nation of General Schneider. (On November 3 Vial and his father-in-law, retired Colonel Raúl Igualt, were booked and formally accused of coauthoring the plan that resulted in Schneider's death. On November 4 the state of siege declared as a result of the shooting, was lifted. On the same day Allende confirmed the nomination of Army General Carlos Prats González as the new army commander in chief.)

October 30, 1970: Allende's choices for his fifteen-member cabinet were announced. The parties represented and the number of ministries allocated to each were as follows: Socialist, 4; Communist, 3; Radical, 3; Social Democrat, a splinter group of the Socialist Party, 2; Independent Popular Action, 1; Unitary Popular Action Movement (Movimiento de Acción Popular Unitaria—MAPU), a splinter group of the PDC, 1; and independent, 1.

November 3, 1970: Allende was formally inaugurated president of Chile.

November 12, 1970: In a nationally broadcast speech Allende said that he had "decided to re-establish diplomatic, consular, commercial, and cultural relations with the Republic of Cuba" and that documents had already been signed implementing this decision. He asserted that the 1964 Organization of American States resolution that called on all Western Hemisphere nations to sever ties with Cuba lacked "juridical and moral basis" and violated the interests of peace and friendship between nations as stipulated by the United Nations Charter.

November 20, 1970: Allende ordered an administrative takeover, under provisions of a 1945 labor law, of two local companies controlled by the Northern Indiana Brass Company and the Ralston Purina Company and charged that they had intentionally deprived Chileans of jobs.

December 21, 1970: Allende proposed a constitutional amendment establishing state control of all mines and certain other mineral deposits and authorizing expropriation of all foreign firms working them. Although not specifically mentioned, the copper investments of the Anaconda Copper Company, Kennecott Copper Corporation, and Cerro Corporation—United States companies—were the most directly affected.

December 30, 1970: Allende announced that "in order to provide more credit for small and medium businessmen and to prevent monopolies from hoarding the funds," he would soon submit a bill to Congress to nationalize banking. Allende also said that the government would in the meantime offer to buy shares in the banks at more favorable prices than would be provided under the nationalization bill. Although the banking bill exempted foreign banks, Allende said that Chile would seek accommodations through "direct agreements" with them. Congress received the legislation on January 4, 1971, but failed to enact it. By July the Allende government had nationalized roughly 60 percent of Chile's private banks. Two foreign banks, the Bank of America and the Bank of London and South America, ceased operations in Chile on July 31 after being purchased by the Chilean government. On January 28, 1972,

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the National Bank of New York agreed to sell its operations as well.

January 5, 1971: Chile established diplomatic relations with China, joining Cuba as the only other Latin American country recognizing that government.

February 6, 1971: Allende submitted a bill to Congress calling for the imprisonment of the ringleaders of illegal land seizures. Members of the extremist Movement of the Revolutionary Left (Movimiento de Izquierda Revolucionaria—MIR) and some local officials had led peasants, dissatisfied with the rate of agrarian reform, in illegally seizing farms. (On July 31 the government ordered the arrest of MIR leaders organizing the land occupations in southern Chile.)

February 15, 1971: Chilean government officials announced that all farms that could be legally expropriated would be taken over by the end of 1971.

March 27, 1971: Allende confirmed that his government had made its first settlement with a major United States investor by signing a contract with the Bethlehem Iron Mines Company, the second largest private iron company in Chile.

April 4, 1971: Allende's Popular Unity coalition garnered 49.7 percent of the vote in 280 municipal elections. The Christian Democratic Party, however, received more votes than any other single party.

April 22, 1971: Chile and China signed an agreement to form a joint commission for the exchange of exports.

May 28, 1971: During his visit to Moscow, Chilean Foreign Minister Clodomiro Almeyda Medina signed a technical, cultural, and trade agreement with the Soviet Union. Almeyda expressed Chile's interest in possible cooperation with the Council for Mutual Economic Assistance—Comecon, the East European common market.

Allende announced that the Chilean government would nationalize Chile's huge nitrate industry by purchasing, through the state-owned Development Corporation (Corporación de Fomento de la Producción—CORFO), a US\$24.6 million share of the Anglo-Lautaro Nitrate Company and a US\$19.6 million share of its subsidiary, the Chilean Mining and Chemical Company. The *New York Times* reported that the Ford Motor Company's automotive plant in Chile had been placed under state control. Ford had closed the plant earlier in the month after six months of negotiations on a production program for 1971 failed to bring an agreement. (The government had refused to allow Ford to lay off 400 workers and had begun fining the company for alleged labor violations.)

June 8, 1971: Edmundo Pérez Zujovic, former interior minister in the government of Eduardo Frei Montalva and head of the right-wing branch of the Christian Democrats, was assassinated. A member of an extremist Marxist group, the Organized People's Vanguard, was implicated in the slaying. In a speech the same day Allende condemned the assassination and announced that he would submit a bill to Congress for the "repression of terrorist crimes" by establishing more rapid criminal proceedings and by pun-

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ishing political crimes with the death sentence or life imprisonment.

June 30, 1971: The United States Department of State announced that the United States had decided to grant US\$5 million in credits for the purchase of military equipment by the Chilean government, marking the first such gesture to Chile since Allende's election. The credits would be used to purchase a new US\$4 million C-130 four-engine transport aircraft and "paratroopers' equipment." On the same day, Chilean Ambassador Orlando Letelier attended a ceremony at Pearl Harbor to mark the leasing by the United States Navy of a seagoing fleet tug to the Chilean Navy.

July 11, 1971: On this "Day of National Dignity," officially commemorating the nationalization of the copper industry, Allende spoke at the mining town of Rancagua and charged that Americans had mismanaged Chile's copper mines and had taken "excess profits." He cited a Soviet study and an investigation by the French Mining Society to prove his charges of mismanagement.

In a joint session of the Chilean Congress 158 senators and deputies unanimously approved a constitutional amendment permitting the nationalization of the copper industry.

July 15, 1971: Allende signed into law the constitutional amendment permitting Chile to nationalize copper mines owned by American interests.

July 26, 1971: The Central Bank of Chile devalued the currency by nearly 100 percent on the brokers' market; the bankers' rate remained constant.

August 11, 1971: The United States Export-Import Bank denied a Chilean request for loans and loan guarantees needed to purchase (at a cost of US\$26 million) three Boeing passenger jets for the national LAN-Chile airline.

September 10, 1971: Allende approved Chile's renewed participation in Operation Unitas XII, a joint naval exercise with the United States, Colombia, Peru, Argentina, Uruguay, Paraguay, Brazil, and Venezuela which was held off the Chilean coast. As a Chilean senator, Allende had opposed Chilean participation in the exercise.

September 26, 1971: Allende canceled a decision, announced on September 15, to close the United States news agency United Press International (UPI) but said that the conduct of the agency's bureau chief had been "unacceptable." UPI'S Latin American manager agreed with Allende that UPI had "transmitted false news stories which affected Chile internationally."

The *New York Times* reported that the Christian Democrats had broken off their working pact with the Allende government on September 24, despite efforts by Allende to heal the breach. The separation was reportedly sparked by the attacks of communist and socialist newspapers on Christian Democratic leaders, including former President Frei.

September 29, 1971: The Chilean government assumed operation of the Chilean Telephone Company (CHITELCO). The International

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Telephone and Telegraph Company (ITT) owned a 70 percent interest in the company and had held a fifty-year concession in the company since 1930. ITT'S holdings were second in value only to the copper companies for foreign investment in Chile.

October 11, 1971: After calculating the book value for copper mines in which Kennecott, Anaconda, and Cerro had an interest and deducting the actual value of the mines, defective property, and "excess profits," the Chilean comptroller general declared that Chile owed compensation only to Cerro. The comptroller general said that both Anaconda and Kennecott had deficits of US\$388 million, which Chile would not collect because the constitutional amendment did not specify such a procedure. Chilean law provided for one appeal by the companies, to be filed within fifteen days of the decision.

October 13, 1971: United States Secretary of State William P. Rogers said that the United States was "deeply disappointed and disturbed by Chile's decision" and warned that Chile's action might jeopardize the flow of private investment funds and foreign aid to Chile.

October 14, 1971: Foreign Minister Almeyda criticized Secretary Rogers' statement and suggested that criticisms of Chile's action had overlooked "the circumstance in which our country would have to take charge of debts contracted by the expropriated firms, corresponding to investments now made," a remark that observers saw as a warning to the United States since Chile had signed notes worth approximately US\$700 million with the copper companies that might be canceled in part to offset the US\$388 million that the companies officially owed Chile. On October 14 the opposition PDC and the National Party announced their support of the government position on compensation.

October 19, 1971: Allende submitted a bill to Congress calling for the nationalization of 150 Chilean firms regarded by the government as playing a key role in the economy. Most Chilean businesses were likely to be unaffected by the measure because Allende pledged to maintain a private sector as well as a mixed economy of both state and private capital.

November 9, 1971: Allende announced plans to seek the renegotiation of Chile's foreign debt, an amount reportedly in excess of US\$3 billion. (Many of the more militant members of Allende's Socialist Party had called for complete repudiation of Chile's national debt.)

November 10, 1971: In his first trip to another Latin American country since 1959, Premier Fidel Castro arrived in Chile for an extensive goodwill tour throughout the country. On one occasion, in a veiled criticism of the Chilean terrorist group MIR, Castro denied that guerrilla violence was the only means to revolution.

November 11, 1971: Allende submitted a constitutional reform bill to Congress that would replace the existing two-house system with a unicameral legislature, broaden the president's powers, and make basic changes in the Supreme Court. He also repeated his pledge to call a plebiscite if Congress

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rejected his programs. On November 27 the Constitutional Committee of the Chamber of Deputies rejected legislation for a unicameral legislature.

December 1, 1971: The Christian Democratic Party and the National Party organized the "March of the Empty Pots" by 5,000 women protesting food shortages and Castro's visit to Chile. The march erupted into violence when youths from the MIR and the Ramona Parra Youth Brigade of the Communist Party started throwing rocks at the demonstrators. Although the carabineros (national police) intervened, street skirmishes continued. On December 2 Allende declared a state of emergency that banned street demonstrations, allowed arrests without warrants, and invoked news censorship. Later a curfew was imposed. Interior Minister José Toha charged that the violence was part of an "orchestrated, seditious plan" to destroy the government and ordered the shutdown of two opposition radio stations that had called for the march. The Christian Democrats voted to begin impeachment proceedings against Toha on charges of tolerating armed extremist groups in Chile.

December 8, 1971: Speaking before a national congress of the communist-led Central Labor Union, Allende announced that the Chilean government would assume full control of food distribution. He also urged the formation of "neighborhood vigilance committees" to fight food hoarders and black marketers.

December 10, 1971: The Central Bank of Chile announced a selective 30 percent devaluation of the currency, effective December 13. The government also announced that the drop in copper prices had made possible the borrowing of US\$39.5 million from the International Monetary Fund (IMF).

January 7, 1972: Allende revamped his cabinet, naming Interior Minister Toha as new defense minister and designating the former defense minister as the new interior minister. The previous day the Chamber of Deputies had voted to suspend Toha from his interior post. On January 22 the Senate voted Toha's impeachment as interior minister.

January 20, 1972: The *Washington Post* disclosed that requests for Peace Corps volunteers were on the upswing under the Allende government. In addition to the twenty-six volunteers already in Chile, six more were on their way, and requests for fifty more were at hand. (The Peace Corps was invited to Chile under an agreement signed in 1962, which included a provision to end the program at either government's request.)

January 28, 1972: In the wake of two opposition victories in by-elections, Allende formed a new cabinet, replacing the ministers of interior, justice, and mining. Allende renamed Toha as defense minister.

February 1, 1972: Minister of Economy Pedro Vuskovic Bravo announced a change in economic policy, saying that the government would end its subsidy of basic foodstuffs and increase prices by percentages exceeding 1971's 22 percent in-

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crease in the cost of living.

February 19, 1972: The Chamber of Deputies voted 100 to 33 to pass a series of constitutional amendments that would prohibit the Allende government from expropriating any enterprise without specific authorization by Congress, retroactive to October 14, 1971. On February 21 Allende announced that he would veto the bill and said that if Congress overruled his veto, he would appeal to the Constitutional Court.

February 21, 1972: Chile's opposition parties challenged the Allende government to hold a plebiscite on whether the nation should have a socialist economy.

March 22, 1972: Syndicated columnist Jack Anderson released letters and documents purporting to show that ITT tried to convince the White House to "reappraise and strengthen" United States policies in Latin America.

March 24, 1972: After meeting with Secretary of State Rogers on March 22 the United States Senate Foreign Relations Committee agreed to conduct a full-scale investigation of the impact of ITT and other multinational corporations on United States foreign policy.

March 28, 1972: Interior Minister Hernan del Canto reported that the government had just thwarted a right-wing group that had made plans to assassinate Allende, free imprisoned General Viaux (implicated in the shooting of General Schneider), and seize power.

The Chilean Congress voted to appoint a special thirteen-member commission to investigate the alleged efforts of ITT to prevent Allende's inauguration.

April 6, 1972: Allende vetoed a constitutional amendment that would have required legislative approval for every expropriation. (See February 19, 1972 entry.) In his veto message Allende threatened to introduce a bill to dissolve Congress or to call a plebiscite if Congress continued its "obstructionist attitude towards the executive." Observers remained uncertain as to whether Congress needed a two-thirds vote or merely a simple majority to override Allende's veto.

In the cabinet shuffle that followed, Allende on April 7 made two new appointments, including that of a new mining minister, General Pedro Palacios Cameron, the first member of the armed forces to serve in the Chilean cabinet in more than ten years.

April 20, 1972: The Chilean government and the "Paris Club" creditor nations, including the United States, reached a compromise agreement rescheduling an estimated US\$600 million of Chile's foreign debts.

May 12, 1972: Allende submitted a constitutional amendment to Congress for the expropriation of ITT's 70 percent holding in CHITELCO. (On July 7 the Chilean Senate passed the amendment, but further congressional action was required.)

June 12, 1972: Chile signed an agreement in New York with twenty-eight private American banks, refinancing for eight years Chile's US\$160 million debt to them.

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The Chilean cabinet resigned in order to facilitate a change in the government's economic policies. On June 17 Allende announced the replacement of the ministers of labor, finance, education, housing, mining, and economy. The new Chilean cabinet also included the first woman in an Allende cabinet.

June 16, 1972: A Chilean judge sentenced retired General Vieux to twenty years in prison for complicity in the 1970 assassination of General Schneider. Thirty-three others connected with the assassination were given sentences ranging from three years to life in prison or expulsion from Chile.

July 3, 1972: The *New York Times* disclosed the contents of additional ITT documents showing that ITT had submitted to the White House in October 1970 an eighteen-point plan designed to assure that Allende "does not get through the crucial next six months." (The anonymous person who leaked the documents, originally sequestered by the Senate Foreign Relations Committee, also added that other unpublished documents reported "assurances of United States assistance, both material and financial, to the Chilean military in the event of a coup d'état in 1970.")

July 5, 1972: The Chilean Chamber of Deputies voted to suspend del Canto as interior minister because of charges that he had failed to arrest and prosecute leftists who had seized private farms and factories. On July 27 the Senate voted 27 to 14 to censure and dismiss del Canto. Allende on August 2 named Jaime Suarez Bastidas, a Socialist Party member, as interior minister.

July 24, 1972: Allende announced a new economic plan to combat inflation and promote national development. Under the plan the Chilean government would invest US\$760 million, much of it to be provided by communist countries, in industrial and farm production during the next two years.

August 2 and 4, 1972: The Central Bank of Chile devalued the currency against the United States dollar by readjusting several exchange rates. The move was reportedly necessitated by continuing inflation and foreign payments deficits.

August 9, 1972: The director of Chile's Engineering College said that during the previous eighteen months at least 500 professionals had left Chile.

August 21, 1972: Allende declared a state of emergency in Santiago Province after violence grew out of a one-day strike by most of the capital's 150,000 shopkeepers, protesting that inflation, scarcity of goods, and government restrictions were squeezing retailers out of business.

August 26, 1972: The Chilean government denounced opposition groups for a "wave of sedition" and announced measures to control civil disturbances. These measures included closing a radio station, applying internal security law against right-wing groups, "[increasing] control over the activities of resident 'foreigners', "and permitting the police to use measures against disruptive groups. On September 2 Allende charged that although "reactionaries" and foreign financiers had a "September plan" to overthrow his government, any attempted coup d'état would be met by a

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nationwide general strike and the occupation of plants and buildings by workers.

October 10, 1972: The National Confederation of Truck Owners called a nationwide strike to demand higher rates and protest a government proposal to establish a state trucking agency in the south. The Chilean government began arresting truck drivers and requisitioning abandoned trucks. Employers and professionals in sympathy with the truck strike, particularly shopkeepers and small businessmen, staged short sympathy strikes. On October 11 the government began to place most of the provinces under a state of emergency. The government also assumed control of all radio stations on October 13 "until further notice" in an effort to stifle opposition opinion of the government's strike-breaking measures. On October 16 violence erupted when the Allende government tried to force the striking shopkeepers to reopen their stores. The government on October 27 relinquished control of private radio stations after a judge declared the seizures to be illegal.

November 2, 1972: Allende announced extensive changes in his cabinet, including the appointment of three military officers. General Prats, army commander in chief, was named minister of interior; the other military officers were named minister of mining and minister of public works and transportation. The formation of a new cabinet was sparked by threats of the opposition parties to impeach the ministers of agriculture, education, economy, and interior.

November 5, 1972: Interior Minister Prats ended some of the worst strikes in Chilean history by negotiating a settlement with strike leaders. The provisions of the settlement included pledges by the government to keep trucking in the private sector of the economy, to return requisitioned private property, and to take no reprisals against strikers or striking unions.

November 27, 1972: Peru, Chile, Zambia, and Zaïre—countries accounting for 60 percent of the world's copper exports—held a conference of the Intergovernmental Council of Copper-Exporting Countries in Santiago, at which they expressed their determination to fight "economic or commercial aggression" against their copper sales. On December 2 they recommended that no further business be done with Kennecott.

December 8, 1972: Under the Foreign Military Sales Credit Program the United States announced that in May 1972 it had agreed to extend US\$10 million in credit, over twice the amount granted in 1971, to Chile for the purchase of one C-130 air force transport and other equipment, possibly tanks, armored personnel carriers, and trucks.

December 20, 1972: The IMF granted Chile US\$42.8 million to offset the drop in revenues from copper exports.

Foreign Minister Almeyda announced that the Soviet Union had agreed to renegotiate payment of Chile's debt of US\$103 million. The Soviet Union also agreed to grant Chile US\$30 million for the purchase of food and cotton and more than US\$180 million for the purchase of capital goods, including industrial equipment.

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December 29, 1972: After the Chamber of Deputies voted to censure and suspend Finance Minister Orlando Millas, Allende had Millas switch posts with Economy Minister Fernando Flores. The Senate on January 10, 1973, impeached Millas as finance minister, but he remained in the cabinet as economy minister. The Senate vote was the third impeachment of a cabinet minister in a year.

January 2, 1973: The Venezuelan newspaper *El Nacional* disclosed that the Inter-American Press Association report for 1972 listed Chile and four other Latin American countries as having their freedom of the press increasingly threatened.

January 5, 1973: The Peruvian newsletter *Latinamerica Press* reported that China had granted Chile US\$62 million to purchase food, medicines, machinery, and equipment from China.

January 10, 1973: Finance Minister Flores announced that in order to fight speculation, inflation, and the growing black market, the government was introducing quotas for each family on about thirty essential foods. Opposition parties labeled the plan as "rationing" and denounced it as dictatorial. On January 22 Allende placed the armed forces in charge of the distribution of essential articles to assure confidence in the government's impartiality.

February 1, 1973: The State Copper Corporation (Corporación del Cobre—CODELCO) reported that only two of the five nationalized copper mines had increased production during 1972—El Teniente mine, formerly owned by Kennecott, and the Andina mine, formerly owned by Cerro. Although production in the three Anaconda mines had dropped, overall copper production increased almost 4 percent above that of the previous year.

February 5, 1973: Allende issued the Popular Unity campaign platform for the March congressional elections. The document called for replacing the bicameral legislature with a unicameral "people's assembly," writing a new constitution, and synchronizing the election of the president with that of Congress.

February 8, 1973: Allende suggested that if Chile and the United States failed to reach an agreement on just compensation for the nationalized American copper companies, the dispute might be referred to an international tribunal that would include two disinterested European parties. The tribunal is provided for by a United States-Chile treaty signed in 1914 for the settlement of disputes. Allende stressed, however, that Chile's quarrel was with the American copper companies, not with the United States government.

March 4, 1973: In balloting for all 150 seats in the Chamber of Deputies and for half of the fifty seats in the Senate, the Popular Unity coalition garnered 43.4 percent, an increase of about 7 percent over its 1970 presidential vote. The major opposition parties, including the Christian Democrats and the National Party, had agreed to join in a common front, the Democratic Confederation (Confederación Democrática—CODE), against Popular Unity in the congressional election. Popular Unity's gain of six seats in the Chamber of Deputies and of two seats in the Senate cut CODE's majority in those bodies to 87 to 63 and 30 to 20 respectively.

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March 20, 1973: The United States Senate Foreign Relations Subcommittee on Multinational Corporations began public hearings on ITT and United States government involvement in attempting to prevent Allende from being elected president.

April 19, 1973: Copper miners went out on strike demanding a 41 percent pay increase. The problem was created by the high rate of inflation, which the government said was about 85 percent; nongovernment sources said it was much higher. (The strike, which forced a month-long suspension of copper exports, was settled on July 4 on terms close to the strikers' demands.)

March 22, 1973: All fifteen members of the Chilean cabinet submitted their resignations to permit Allende to make changes in the wake of the March 4 congressional elections. In forming his new cabinet, announced on March 27, Allende dropped the three representatives from the military, including General Prats.

May 23, 1973: Former President Frei was elected president of the Senate; a fellow leader of the Christian Democrats was elected president of the Chamber of Deputies.

June 5, 1973: Allende announced that he would seek a vote of censure by the Congress of the Supreme Court judges. He made the statement after the Supreme Court decided to prosecute a government official for having closed down a radio station operated by anti-Allende forces.

June 12-21, 1973: Strikes, riots, and street demonstrations in Santiago, Valparaíso, and other important cities virtually paralyzed the nation. Scores were injured, and a few deaths were reported. On June 21 an estimated 700,000 people took part in an anti-government demonstration near the presidential palace.

June 13, 1973: Allende released the text of his letter to the Supreme Court, accusing its members of prejudice against his government. Allende charged that the Supreme Court had since September 1970 sought to "demolish our institutions and to facilitate social disintegration."

June 24, 1973: Allende reiterated his determination to "crush fascism" and to institute socialism in Chile.

June 27, 1973: The government announced that terrorists had tried to assassinate General Prats.

June 29, 1973: Members of an army tank regiment attacked and shelled the president's palace. (Allende was not there.) The unit was routed in a three-hour battle by troops commanded by Prats.

June 30, 1973: Allende asked Congress for extraordinary powers for a period of ninety days to cope with the serious security problems. (The Chamber of Deputies voted down the request on July 2; the Senate, on July 3.)

July 1, 1973: The government announced that another attempt had been made to kill Prats.

July 5, 1973: Allende formed another cabinet.

July 7, 1973: Opposition parties in Congress issued a harshly worded criticism of government actions and of several members of the new

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cabinet. The statement claimed that the government was providing arms to workers who had illegally occupied various factories.

July 19–August 3, 1973: Strikes and commercial and industrial stoppages continued to worsen already chaotic economic and security conditions.

July 26, 1973: Speaking for Chile's Roman Catholic bishops, Cardinal Raúl Silva Henríquez called for a "truce" among the political contenders.

July 26–September 2, 1973: The period was marked by strikes, near-total work stoppages, over 200 bombings, and numerous clashes between armed extremist groups from left and right.

July 27, 1973: Allende's aide-de-camp was assassinated.

August 7, 1973: The navy announced that it had discovered and crushed subversive left-wing groups on two of its ships.

August 9, 1973: Allende formed another cabinet. Prats joined as defense minister; three other military officers were named ministers.

August 13, 1973: In a radiobroadcast to the nation Allende warned that Chile was "on the brink of civil war." (The strike by the National Confederation of Truck Owners continued to paralyze the economy.)

August 18, 1973: Air General César Ruiz Dauyau, who had joined the cabinet on August 9 as minister of public works and transportation, resigned his cabinet post and his position as commander in chief of the air force. Allende appointed Air General Gustavo Leigh Guzmán as air force commander in chief.

August 21, 1973: The Chamber of Deputies voted 81 to 47 to censure Allende's government and appealed to the armed forces "to re-establish the Constitution and the law."

August 23, 1973: Prats resigned from the cabinet and the army. Allende appointed Army General Augusto Pinochet Ugarte, who had served as army chief of staff since 1970, as the new army commander in chief.

August 24, 1973: Former President Frei stated that "a change of government is required, but not a change of president, since we agreed that Dr. Allende's term of office does not expire until 1976. But he must certainly change his colleagues and his program."

August 25, 1973: An estimated 140,000 shopkeepers closed down for the day in support of others on strike.

August 28, 1973: Allende reorganized his cabinet. The new cabinet again had three military officers and one police officer.

September 9, 1973: After several days of increasing violence, the leaders of the Christian Democrats proposed that Allende and all members of Congress resign and that new elections be held.

September 11, 1973: Military junta seized power.

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(Various issues of the following publications were also used in the preparation of this chapter: *Christian Science Monitor*; *Facts on File*; *Financial Times* [London]; *Foreign Broadcast Information Service: Daily Report, Latin America*; *Keesing's Contemporary Archives* [London]; *Latin America*; *Latin America Political Report* [London]; *Latinamerica Press* [Lima]; *Latin America Weekly Report* [London]; *Newsweek*; *New York Times*; *Times of the Americas*; and *Washington Post*.)

Glossary

crude oil reserves—Expressed in cubic meters of crude oil, equivalent to about 6.28 barrels, or 0.86 ton.

fiscal year—Calendar year.

gross domestic product (GDP)—The value in market prices of all final consumption and investment goods and services (excluding those intermediate to the production process) produced in an economy during a given period, usually a year. GDP is "gross" because it does not deduct depreciation costs, and it is "domestic" because it excludes income earned abroad and includes that earned by foreigners in the country.

gross national product (GNP)—Gross domestic product plus income earned by domestic residents abroad (including investments) less the income earned in the domestic economy by foreigners.

peso—The currency unit, consisting of 100 centesimos. The peso replaced the escudo on September 29, 1975, at a rate of 1,000 escudos per peso. Between 1975 and 1979 the peso was frequently devalued, but between 1979 and May 1982 it was fixed at 39 pesos per US\$1.

World Bank—Group of three institutions consisting of the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and the International Development Association (IDA). Established in 1945 by the United Nations, the World Bank in 1982 was owned by the governments of approximately 140 countries, which subscribe the institutions' capital. The IFC works with the private sector in developing countries. The IDA operates in the same sectors and with the same policies as the IBRD but provides credits only to the poorer developing countries and on easier terms than those of conventional IBRD loans.

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★ U.S. GOVERNMENT PRINTING OFFICE: 1983-0-381-660/524